



## Adinath Textiles Limited

Regd. Office & Works : Village Bholapur, P.O. Sahabana,  
Chandigarh Road, Ludhiana - 141 123 India

CIN: L17115PB1979PLC003910  
Tel # : 0161-6574125, 2685270  
Mob. # : 98761-00948  
E-mail : atl@shreyansgroup.com  
website : www.adinathtextiles.com

ATL/SCY/2021-22/84

02.09.2021

To

Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

**SUBJECT: DISCLOSURE UNDER REGULATION 34 OF SEBI (LODR) REGULATIONS, 2015**

Dear Sir,

Please find enclosed herewith Annual Report of the Company for the financial year 2020-21.

You are requested to take the same on your records.

Thanking you,

Yours Faithfully,

FOR ADINATH TEXTILES LIMITED

*P. Singh*



PARMINDER SINGH  
COMPANY SECRETARY AND COMPLIANCE OFFICER  
ACS- 43115  
Encl: A/a

**BRANCH OFFICES :-**

- 5 A-D, Gopala Tower, 25 Rajendra Place, New Delhi-110 008. Tel # 011-25721042, 25732104 Fax # 91-11-25752271 E-mail : sil.delhi@shreyansgroup.com  
 912, Hub Town, Viva Building, 9th Floor, Shankar Wadi, Western Express Highway, Jogeshwari (East), Mumbai - 400 060. Tel. #: 022-67084631

**41<sup>ST</sup>**  
**ANNUAL REPORT**



***2020 - 2021***

**ADINATH TEXTILES LIMITED**



## BOARD OF DIRECTORS

|                           |                                   |                  |
|---------------------------|-----------------------------------|------------------|
| Mr. Rajneesh Oswal        | Chairman & Managing Director      | (DIN : 00002668) |
| Mr. Vishal Oswal          | Vice-Chairman & Managing Director | (DIN : 00002678) |
| Mr. Ramesh Chander Juneja | Independent Director              | (DIN : 07804729) |
| Mrs. Priya Begana         | Independent Director              | (DIN : 07706647) |
| Ms. Harbhajan Kaur Bal    | Independent Director              | (DIN : 00008576) |

## CHIEF FINANCIAL OFFICER

Mr. Rajesh Kumar

## COMPANY SECRETARY

Mr. Parminder Singh

## STATUTORY AUDITORS :

M/s. Malhotra Manik & Associates  
Chartered Accountants  
Ludhiana.

## SECRETARIAL AUDITORS :

M/s. P.S. Bathla & Associates  
Ludhiana.

## REGISTERED OFFICE & WORKS

CIN: L17115PB1979PLC003910  
Village Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana - 141 123  
Tel: +91-161-2685270, 9876100948  
Email: atl@shreyansgroup.com  
Website: www.adinathtextiles.com

## OFFICES

5 A-C, Gopala Tower, 25, Rajendra  
Place, New Delhi- 110008.  
TEL: +91-11-25818258-59, 25721042  
EMAIL: sil.delhi@shreyansgroup.com

## Registrar & Transfer Agents

Skyline Financial Services (p) Limited  
D-153/A, 1st Floor  
Okhla Industrial Area, Phase - 1,  
New Delhi - 110020  
Tel.: 011 40450193-97  
Email: admin@skylinerta.com

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## NOTICE

Notice is hereby given that the 41st Annual General Meeting of the members of the Company will be held on Thursday, the 30<sup>th</sup> day of September, 2021 at 11:00 A.M. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123 to transact the following business:

**AS AN ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Rajneesh Oswal (DIN: 00002668), who retires by rotation and being eligible offers himself for re-appointment.

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

**2. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

3. Members/proxies are requested to bring their copy of Annual Report to the Meeting and bring in duly filled attendance slips enclosed herewith to attend the meeting. Shareholders/ Proxy holders are requested to produce at the entrance, duly filled and signed attendance slips for admission to the Meeting Hall.

Corporate members are required to send a certified copy of the Board Resolution to the Company, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.

4. The Register of Members and Share Transfer books of the Company shall remain closed from 24<sup>th</sup> September, 2021 to 30<sup>th</sup> September, 2021 (both days inclusive) for the purpose of Annual General Meeting of the Company.

5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Company, so as to reach the registered office of the Company at least 10 days before the date of the meeting so that information required may be made available at the time of the Meeting.

6. Copies of the Annual Report are being sent by electronic mode only to those members whose email addresses are registered with the company/depository participants(s) for communication purposes unless any members has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2021 are being sent by the permitted mode.

7. Members are requested to :

- i. Quote their folio number/Client ID & DP-ID in all correspondence with the company.
- ii. Notify immediately to the company any change in their address/ mandate, if any.
- iii. Register their e-Mail id with the company or its Registrar or their depository participant to enable the company to send the notices and other reports through email.

8. Shares of the Company are available for De-Materialization under ISIN- INE207C01019. Members who have not opted for De-Materialization are requested to do so in their own interest.

**9. Please note that the meeting is for members or their proxies only. Please avoid being accompanied by non members and children.**

10. A remote e-voting facility for the members shall also be provided in terms of Section 108 of the Companies Act, 2013 and rules made there under and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise the right at the meeting. The members who have 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.

11. M/s P.S. Bathla & Associates, Company Secretaries in practice, Ludhiana have been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms). Based on the report received from the scrutinizer,



the Company will submit details of the voting results within two working days of the conclusion of the Meeting to the stock exchange as required under Reg. 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The results declared alongwith the Scrutinizer's report will also be posted on the website of the Company [www.adinathtextiles.com](http://www.adinathtextiles.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

**By order of the Board  
For Adinath Textiles Limited**

**Sd/-  
Parminder Singh**

**Dated : 25<sup>th</sup> June, 2021** **Company Secretary**  
**Regd. Office: Village Bholapur, ACS 43115**  
**P.O. Sahabana, Chandigarh Road,**  
**Ludhiana 141 123**  
**CIN: L17115PB1979PLC003910**  
**Tel.: +91-161-2685270, 98761-00948**  
**Email: [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)**  
**Website: [www.adinathtextiles.com](http://www.adinathtextiles.com)**

**The Intructions of Shareholders For E-Voting are as Under:**

- (i) The voting period begins on 26<sup>th</sup> September 2021 (09.00 A.M.) and ends on 29<sup>th</sup> September 2021 (05.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.  
Currently, there are multiple e-voting service

providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of Shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in demat mode with CSDL | <p>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |

| Type of Shareholders  | Login Method   |
|---|--|
| Individual Shareholders holding securities in demat mode with <b>CDSL</b> | <p>Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKIN TIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>   |
| Individual Shareholders holding securities in Demat mode with <b>NDSL</b> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> |

| Type of Shareholders  | Login Method   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>NDSL</b>                                     | <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>  |

**Important note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

|  |  |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43. |
|--|--|



|   |  |
|---|--|
| Individual Share holders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
|---|--|

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

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

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat

- form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (v) Click on the **EVSN (210826006)** for **<Adinath Textiles Limited>** on which you choose to vote.
  - (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xii) Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
    - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@shreyansgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. For Physical shareholders: please provide necessary details like Folio No., Name of shareholder, scanned

copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders: please update your email id & mobile no. with your respective Depository Participant (DP)

**If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.**

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Details of Directors seeking appointment/re-appointment at the Annual General Meeting  
(Pursuant to Regulation 36(3) of the Listing Regulations)**

|  |  |
|--|--|
| <b>Name of the Director</b>  | <b>Rajneesh Oswal</b>                                      |
| DIN  | 00002668   |
| Date of Birth  | 27.06.1966   |
| Date of Appointment on the Board   | 30.06.1989   |
| Qualification  | MBA  |
| Relationship between Directors inter-se  | Mr. Rajneesh Oswal and Mr. Vishal Oswal are real brothers. |
| Expertise in specific functional areas   | Management & Administration                                |
| Directorship of other public limited companies   | Shreyans Industries Ltd.                                   |
| Memberships/ Chairmanships of committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee) | Stakeholder's Relationship Committee (Shreyans Inds. Ltd.) |
| No. of Shares held in the Company  | ---  |

**By order of the Board  
For Adinath Textiles Limited**

Sd/-

**Parminder Singh  
Company Secretary  
ACS 43115**

**Dated : 25<sup>th</sup> June, 2021**  
**Regd. Office: Village Bholapur,**  
**P.O. Sahabana, Chandigarh Road, Ludhiana 141 123**  
**CIN: L17115PB1979PLC003910**  
**Tel.: +91-161-2685270, 98761-00948**  
**Email: [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)**  
**Website: [www.adinathtextiles.com](http://www.adinathtextiles.com)**

## DIRECTORS' REPORT

Your Directors are pleased to present the 41st Annual Report on the business and operations of the Company along with Audited Financial Statements for the year ended 31st March, 2021.

## FINANCIAL RESULTS

| Particulars  | 2020-21 | (₹ in lakhs) |
|--|---------|--------------|
|  |         | 2019-20      |
| Income from Operations                             | ---     | ---          |
| Other Income                                       | 168.98  | 138.71       |
| Profit/(Loss) before interest & depreciation       | 59.09   | 19.36        |
| Less Interest                                      | 0.16    | 0.12         |
| Gross Profit/(Loss)                                | 58.93   | 19.24        |
| Depreciation and amortization expense              | 15.74   | 18.96        |
| Profit/(Loss) Before Tax                           | 43.19   | 0.28         |
| Provision For Taxation (including deferred tax)    | 11.64   | (1.63)       |
| Profit/(Loss) after Tax from continuing operations | 31.55   | 1.91         |
| Profit/(Loss) from discontinued operations         | ---     | (8.73)       |
| Profit/(Loss) for the year                         | 31.55   | (6.82)       |

## CORPORATE REVIEW

Due to no job work orders and accumulating losses, the company discontinued its operations in the financial year 2019-20. Therefore, there was no revenue from operations during the financial year 2020-21.

Meanwhile, in order to supplement its income, the company has given its vacant factory buildings on lease for warehousing purposes. The income from lease is recognised as other income. The other income of the company, including the income from lease, during the financial year 2020-21 is ₹168.98 Lacs in comparison to ₹138.71 Lacs for the previous year.

## SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2021 was ₹681.44 lakhs. During the year under review, the Company has not issued/granted any shares, stock options or sweat equity shares.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## OTHER EQUITY

The Company does not propose to carry any amount to any reserves.

## DIVIDEND

Due to absence of adequate profits, your Directors are unable to recommend any dividend for the year under review.

## DEPOSITS

During the year under review the company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

## NUMBER OF MEETINGS HELD

The details of Board and Committee Meetings are given in the Corporate Governance Report.

## DIRECTORS

In compliance with the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the company, Mr. Rajneesh Oswal, Chairman & Managing Director will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for reappointment. The Board recommends his reappointment.

Mr. Surinder Kumar Sekhri, Independent Director resigned from the Board on account of health issues. The Board accepted his resignation w.e.f. 11th November, 2020. There were no other material reasons for his resignation.

Based on the recommendations of the Nomination and Remuneration Committee, the Board had recommended the appointment of Ms. Harbhajan Kaur Bal as an Independent Director for a period of five years w.e.f. 11th November

2020 to 10th November 2025. The said appointment was approved by the members of the Company at its 40th Annual General Meeting held on 21st December 2020 by way of special resolution.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **BOARD EVALUATION**

Pursuant to provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the performance of the individual Directors as well as the evaluation of the working of its committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance.

#### **KEY MANAGERIAL PERSONNEL**

There was no change in the Key Managerial Personnel during the year under review.

#### **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their Remuneration. The said policy has been uploaded on the website of the Company. The Key provisions of Nomination and Remuneration policy are appended as an **Annexure I** to the Board's report.

#### **AUDIT COMMITTEE**

The company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations. The composition of the Audit Committee is given in Corporate Governance Report.

All the recommendations of the Audit Committee were accepted by the Board.

#### **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted the Whistle blower Policy/Vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. Such mechanism/policy is also uploaded on the website of the Company.

#### **STATUTORY AUDITORS**

The Company in its 37th Annual General Meeting had approved the appointment of M/s. Malhotra Manik & Associates, Chartered Accountants as statutory auditors of the Company to hold office till the conclusion of 42nd Annual General Meeting.

The report of the statutory auditors read with notes on accounts is self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks. Further, there were no frauds reported by the Statutory Auditors of the Company during the period under review neither under Section 143(12) of the Act nor which are reportable to the Central Government.

#### **COST AUDIT**

Cost audit for the financial year 2020-21 was not applicable to the Company hence no cost auditor was appointed for cost audit purposes.

#### **SECRETARIAL AUDIT**

M/s P. S. Bathla & Associates, Practising Company Secretaries, Ludhiana, were appointed to conduct the secretarial audit of the Company for the financial year 2020-21, as required under Section 204 of the Companies Act, 2013 and Rules made there under. The secretarial audit report for FY 2020-21 is appended as an **Annexure II** to the Board's report.

The Secretarial auditors' report for the year under review requires no comments.

The Board has re-appointed M/s P. S. Bathla & Associates, Practising Company Secretaries, Ludhiana as secretarial auditor of the Company for the financial year 2021-22.

#### **RELATED PARTY TRANSACTIONS**

There was no material contract or arrangement or transactions with Related Party as referred to in sub-section (1) of Section 188 of the Companies Act, 2013 during the year. Thus, disclosure in form AOC-2 is not required.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to

regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the rules there under and the Listing Regulations.

This Policy was considered and approved by the Board has been uploaded on the website of the Company at [http://www.adinathtextiles.com/pdf/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.adinathtextiles.com/pdf/Related_Party_Transaction_Policy.pdf)

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as an **Annexure III** and forms an integral part of this report.

#### **ANNUAL RETURN**

Pursuant to the provisions of Companies Act, 2013, a copy of Annual Return for the financial year 2019-20 is available on the website of the Company at [www.adinathtextiles.com](http://www.adinathtextiles.com) and a copy of Annual Return for the financial year 2020-21 will be available on the website of the company after submission of the same to the Registrar of Companies.

#### **INDUSTRIAL RELATIONS**

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

#### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Company has been addressing various risks through well defined risk management policy/procedures, which in the opinion of the Board may threaten the existence of the Company.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has laid down adequate internal financial controls with reference to financial statements. During the year such controls were tested and no material weakness in their operating effectiveness was observed.

#### **ASSOCIATES AND SUBSIDIARIES**

The Company has no Associates & Subsidiaries as on March 31, 2021.

#### **CORPORATE GOVERNANCE**

As per the provisions of Listing Regulations, a separate Report on Corporate Governance practices followed by the Company together with a Certificate from the Practicing Company Secretary confirming compliance forms part of this report.

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

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, technology, absorption and foreign exchange earnings and outgo is appended as an **Annexure IV** to the Board's Report.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed and there has been no material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss account 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 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.

#### GENERAL DISCLOSURES

The Company has already complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints/cases reported with internal complaints committee formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation for the dedicated work and co-operation extended by all the employees. Your Directors also wish to record their gratitude to the shareholders, Customers and Suppliers for their valuable support.

On Behalf of the Board  
For Adinath Textiles Limited

Place : Ludhiana  
Date : 25<sup>th</sup> June, 2021

Sd/-  
Rajneesh Oswal  
Chairman & Managing Director  
(DIN : 00002668)

#### Annexure I

##### NOMINATION AND REMUNERATION POLICY

The Key provisions of the Nomination and Remuneration policy are given below:

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

The Nomination and Remuneration policy for executives reflects the remuneration philosophy and principles of the Adinath Textiles Limited. When determining the remuneration policy and arrangements for Executive Directors/KMP's, the Nomination and Remuneration Committee shall consider pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Nomination and Remuneration Committee while considering a remuneration package must ensure a balanced approach reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Committee shall consider that a successful remuneration policy must ensure that any increase in the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Nomination and Remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Remuneration packages are designed to attract high-caliber executives in a competitive market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.



Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.

Executive remuneration shall be proposed by the Committee and subsequently approved by the Board of Directors. Executive remuneration is evaluated annually against performance and a benchmark of other companies, which in size and complexity are similar to Adinath Textiles Limited. Benchmark information is obtained from recognized compensation service consultancies/other relevant sources. In determining packages of remuneration, the Committee may consult with the Chairman/ Managing Director as appropriate.

Information on the total remuneration of members of the Company's Board of Directors and KMPs shall be disclosed in the Company's Annual Report.

The Company may grant any advance salary/loan to employees of the Company at concessional/NIL interest rates as it deems fit subject to tax laws.

The Board may delegate the appointment and remuneration powers in case of Sr. Management Personnel (except KMPs and Directors) to the Managing Director by way of Board Resolution.

The appointment letters of all Sr. Management Personnel, KMPs and Directors shall draw reference to the fact that the appointment and remuneration is in accordance with the Nomination and Remuneration Policy of the Company.

#### Annexure II

#### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021

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

To,

The Members,

Adinath Textiles Limited

Vill. Bholapur P O Sahabana

Chandigarh Road, Ludhiana-141123

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Adinath Textiles Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Adinath Textiles Limited** ("The Company") for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable as the Company has not issued further capital during the financial year under review)
- (d) The Securities and Exchange Board of India ((Share Based Employee Benefits) Regulations, 2014 (Not Applicable as there was no event in this regard)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable, as the Company has not issued Debt Securities during the Audit Period under review)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company as there was no event in this regard).
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year under review.)
- (VI) Textiles (Development and Regulation) Order, 2001
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015

I report that during the period under review the company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**2. I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For P S Bathla & Associates  
Company Secretaries**

**(P. S. Bathla)  
FCS No. 4391  
C.P No. 2585**

**Place : Ludhiana**

**Date : 25<sup>th</sup> June, 2021**

**UDIN : F004391C000849334**

**Note: This Report is to be read with my Letter of even date which is annexed as Annexure A and forms an integral part of this report.**

**'Annexure A'**

To,  
The Members,  
Adinath Textiles Limited  
Vill. Bhoapur P O Sahabana  
Chandigarh Road, Ludhiana-141123

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

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

**For P S Bathla & Associates**  
**Company Secretaries**  
(P. S. Bathla)  
FCS No. 4391  
C.P No. 2585

Place : Ludhiana  
Date : 25<sup>th</sup> June, 2021

**Annexure III**

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 (1) and (2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished hereunder:

1 (i)

| Name of the Director/KMP and Designation            | Remuneration in Fiscal 2020-21 ₹ in lakhs | % Increase in remuneration from previous year | Ratio of Remuneration to MRE# |
|---|---|---|-------------------------------|
| Rajneesh Oswal<br>(Chairman & Managing Director)    | ---                                       | ---   | ---                           |
| Vishal Oswal<br>(Vice-Chairman & Managing Director) | ---                                       | ---   | ---                           |
| Rajesh Kumar<br>(Chief Financial Officer)           | 5.13                                      | ---   | 2.98                          |
| Parminder Singh<br>(Company Secretary)              | 4.18                                      | ---   | 2.43                          |

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.  
#MRE-Median Remuneration of Employee based on annualized salary.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 1.72 lakhs p.a;
- (iii) the percentage increase in the median remuneration of employees in the financial year; NIL
- (iv) There were 23 permanent employees on the rolls of the Company as on March 31, 2021;
- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; NIL
- (vi) the key parameters for any variable component of remuneration availed by the directors; NIL
- (vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

## 2 Details of top ten employees in terms of remuneration:

| Name of Employee | Designation of the employee | Remuneration received* ₹ in lakhs | Qualifications | Experience (No. of Years) | Date of Commencement of employment | Age (years) | The last employment held by such employee before joining the Company | %age of equity shares held by the employee in the Company | Whether relative of any Director or Manager of the Company |
|------------------|-----------------------------|-----------------------------------|----------------|---------------------------|------------------------------------|-------------|--|---|--|
| Rajesh Kumar     | Manager (Accounts)          | 5.13                              | B.COM.         | 29                        | 01.04.2008                         | 51          | Shreyans Industries Ltd.   | ---   | ---  |
| Mithun Lal       | Asstt. Electrical engineer  | 4.33                              | Matric         | 31                        | 01.08.2014                         | 49          | ---  | ---   | ---  |
| Krishan Kumar    | Asstt. Manager (EDP)        | 4.22                              | B.COM. & PGDCA | 31                        | 05.04.2013                         | 55          | Surindera Cycles Pvt. Ltd.   | ---   | ---  |
| Parminder Singh  | Company Secretary           | 4.18                              | B.COM. & CS    | 11                        | 01.08.2014                         | 32          | Gobind Cycles Pvt. Ltd.  | ---   | ---  |
| Dinesh Kumar     | Time office incharge        | 3.59                              | Graduate       | 33                        | 01.04.2005                         | 55          | Dext Lali India Pvt.ltd.   | ---   | ---  |
| Karun Kumar Sood | Asstt. Accountant           | 2.61                              | BCA            | 6                         | 01.06.2016                         | 34          | Panorma Chemicals,   | ---   | ---  |
| Ravi Kant        | Senior Assistant            | 1.98                              | Matric         | 31                        | 01.01.2015                         | 51          | ---  | ---   | ---  |
| Gurbachan Singh  | Driver                      | 1.89                              | Under Matric   | 27                        | 01.01.2012                         | 45          | ---  | ---   | ---  |
| Lallan Rai       | Office Assistant            | 1.79                              | Under Matric   | 27                        | 01.05.2014                         | 44          | JCT, Phagwara  | ---   | ---  |
| Raj Narain Yadav | Assistant                   | 1.75                              | Graduate       | 16                        | 01.08.2019                         | 40          | Surindera Cycles Pvt. Ltd.   | ---   | ---  |

Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹102,00,000/- per annum: NIL

Employed for a part of the financial year and separated, were in receipt of remuneration at the rate of not less than ₹ 8,50,000/- per month: NIL

## Annexure IV

**INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS CONSERVATION OF ENERGY**

- A) Energy Conservation is an ongoing process in the Company. The Company continued its efforts to improve energy usage efficiencies and increase the share of renewable energy. Various key performance indicators like specific energy (energy consumed per unit of production), specific energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall sustainability approach.
- (i) **Steps taken or impact on conservation of energy:**
- Improvement in energy usage efficiency in lighting systems by installation of more efficient lighting solutions such as Light Emitting Diodes.
  - Installation of Capacitors to maintain power factor for efficient use of power.

**(ii) Steps taken for utilizing alternate sources of energy:**

The Company is exploring potential of using alternate source of energy, which may be considered implementation in future.

**(iii) Capital investment on energy conservation equipment during the year: NIL****B) TECHNOLOGY ABSORPTION**

Your company is keeping a close eye on the new product development and upgradation of technology in existing products. Upgradation in various areas of plant and machinery is continuously carried out.

**(i) Efforts made towards technology absorption: NIL****ii) Benefits derived: NIL****iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N.A.**

a. Details of Technology: N.A.

b. Year of Import: N.A.

c. whether the technology has been fully absorbed: N.A.

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

**iv) Expenditure incurred on Research and Development: NIL****C) FOREIGN EXCHANGE EARNING AND OUTGO: NIL**

#### MANAGEMENT DISCUSSIONS AND ANALYSIS OVERVIEW OF INDUSTRY

The company primarily operates in spinning of worsted and spun yarn. The company has manufacturing set up base in Ludhiana in the state of Punjab and Corporate Office is located in Ludhiana in Punjab. The company has devoted major part of its production capacity to Job works.

#### OPPORTUNITY, RISK AND CONCERN

The Company is dependent upon the orders for job work for its manufacturing facilities. Due to no job work orders and accumulating losses, the company discontinued its operations in the financial year 2019-20. Therefore, there was no revenue from operations during the financial year 2020-21.

Meanwhile, in order to supplement its income, the company has given its vacant factory buildings on lease for warehousing purposes. The income from lease is recognised as other income. The other income of the company, including the income from lease, during the financial year 2020-21 is ₹168.98 Lacs in comparison to ₹138.71 Lacs for the previous year.

#### SEGMENTWISE- PRODUCTWISE PERFORMANCE

The company has only one segment i.e. manufacturing of Acrylic and worsted yarn.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a proper and adequate internal control system to safeguard and protect against loss from unauthorized use or disposition and to ensure that all transactions are authorized, recorded correctly and adequately. Internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets.

The internal audit report, plans, significant audit findings and compliance with accounting standards is in turn reviewed by the Company's Audit Committee to ensure proper audit coverage and adequate consideration along with execution of the auditors' recommendations.

#### FINANCIAL STATEMENT

Financial statements of the company have been prepared in compliance with the requirements of the Companies Act, 2013 and Indian accounting standard. The management of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as various estimates and

judgments used therein.

However, any unforeseen and uncontrollable external factors may alter these judgments.

#### HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The human resources development function of the Company is guided by a strong set of values and policies. Your company maintains a work environment that is free from any harassment.

#### FINANCIAL PERFORMANCE AND ANALYSIS

The discussions in this section relate to the financial results pertaining to the year ended March 31,2021 prepared in accordance with the Indian Accounting Standards prescribed under section 33 of the Companies Act, 2013, read with the Companies [Indian Accounting Standards] Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the financial statements. The following table gives as overview of the financial result of the Company:

(₹ in lakhs)

| Particulars   | 2020-21 | 2019-20 |
|---|---------|---------|
| Income from Operations                                  | ---     | ---     |
| Other Income  | 168.98  | 138.71  |
| Profit/ (Loss) before interest & depreciation           | 59.09   | 19.36   |
| Less Interest   | 0.16    | 0.12    |
| Gross Profit/ (Loss)                                    | 58.93   | 19.24   |
| Depreciation & amortization expense                     | 15.74   | 18.96   |
| Profit/ (Loss) Before Tax                               | 43.19   | 0.28    |
| Provision For Taxation (including deferred tax)         | 11.64   | (1.63)  |
| Net Profit/ (Loss) after Tax from continuing operations | 31.55   | 1.91    |
| Profit / (Loss) from discontinued operations            | ---     | (8.73)  |
| Profit / (Loss) for the year                            | 31.55   | (6.82)  |



## REPORT ON CORPORATE GOVERNANCE

**1. Company's philosophy of Corporate Governance**

The Company is in compliance with requirements of the guidelines on corporate governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The status with regard to the various aspects of the corporate governance is given below.

The company has laid down a code of conduct for all its Board Members and senior management personnel for avoidance of conflicts of interests. Company has received the necessary declaration affirming compliance with the code of conduct for the year 2020-21.

**2. Board of Directors****(a) Composition:**

The Company has an Executive Chairman and the number of independent directors is not less than half of the total strength of the Board. The Company has complied with the requirements of listing regulations in respect of composition of Board of Directors. None of the independent directors have any pecuniary relationship (except sitting fee) or transactions with the Company.

(b) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM):

| Name of the Director   | DIN      | Category of Directorship      | No. of Board Meetings attended | Attendance at the last AGM |
|--|----------|-------------------------------|--------------------------------|----------------------------|
| Rajneesh Oswal<br>Chairman & Managing Director                 | 00002668 | Promoter & Executive Director | 5                              | Yes                        |
| Vishal Oswal<br>Vice-Chairman & Managing Director              | 00002678 | Promoter & Executive Director | 5                              | Yes                        |
| Surinder Kumar Sekhri<br>(till 11 <sup>th</sup> November 2020) | 00002601 | Non Executive (Independent)   | 4                              | NA                         |
| Ramesh Chander Juneja  | 07804729 | Non Executive (Independent)   | 5                              | Yes                        |
| Priya Begana   | 07706647 | Non Executive (Independent)   | 4                              | Yes                        |
| Harbhajan Kaur Bal<br>(w.e.f. 11 <sup>th</sup> November 2020)  | 00008576 | Non Executive (Independent)   | 1                              | Yes                        |

(c) Number of other Companies or Committees the Director of the Company is a Director/Member/Chairman: -

| Name of the Director  | No. of Directorships in all public companies# | Membership of the Board Committees in all Public Companies## | Chairmanship of the Board Committees in all Public Companies** | Directorship in other listed entity and category  |
|-----------------------|---|--|--|---|
| Rajneesh Oswal        | 2   | 2  | ---  | Shreyans Industries Limited (Chairman & Managing Director)  |
| Vishal Oswal          | 2   | 2  | ---  | Shreyans Industries Limited (Vice-Chairman & Managing Director)                                       |
| Harbhajan Kaur Bal    | 3   | 2  | ---  | Shreyans Financial & Capital Services Ltd. Shreyans Industries Limited (Independent Director in both) |
| Ramesh Chander Juneja | 3   | 2  | 3  | Shreyans Financial & Capital Services Ltd. Shreyans Industries Limited (Independent Director in both) |
| Priya Begana          | 2   | 3  | 1  | Shreyans Financial & Capital Services Ltd. (Independent Director)                                     |

#including Adinath Textiles Ltd. and excluding private limited companies, foreign companies, unlimited liability companies and Companies under Section 8 of the Companies Act, 2013.

##Board committee for this purpose includes Audit Committee and Stakeholder's Relationship Committee (including committees of Adinath Textiles Limited).

(d) Five Board Meetings were held during the financial year 2020-21 on 27<sup>th</sup> April, 2020, 29<sup>th</sup> July, 2020, 14<sup>th</sup> September, 2020 and 11<sup>th</sup> November, 2020, 12<sup>th</sup> February, 2021.

(e) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

|                       |   |
|-----------------------|---|
| Business Dynamics     | Understanding of business dynamics, across various markets, industry verticals and regulatory jurisdictions.  |
| Strategy and Planning | Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.   |
| Governance            | Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values. |

| DIRECTORS AS ON<br>31ST MARCH 2021 | Attributes                     |                       |            |
|------------------------------------|--------------------------------|-----------------------|------------|
|                                    | Business Dynamics & leadership | Strategy and Planning | Governance |
| Rajneesh Oswal                     | ✓                              | ✓                     | ✓          |
| Vishal Oswal                       | ✓                              | ✓                     | ✓          |
| Ramesh Chander Juneja              | ✓                              | ✓                     | ✓          |
| Priya Begana                       | ✓                              | ✓                     | ✓          |
| Harbhajan Kaur Bal                 | ✓                              | ✓                     | ✓          |

(f) The Board of Directors hereby confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations and are independent of the management.

(g) Mr. Surinder Kumar Sekhri, Independent Director resigned from the Board on account of health issues. The Board accepted his resignation w.e.f. 11th November, 2020. There were no other material reasons for his resignation.

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a system has been put in place to carry out performance evaluation of the Board, its Committees and individual directors. An appraisal format has been devised covering various aspects of the Board's functioning such as adequacy of composition of the board and its committees, board process, culture and accountability etc. Similarly, a separate format is also formulated for carrying out evaluation of the performance of individual Directors including the Chairman of the Board, which inter-alia include parameters such as level of engagement and contribution, understanding of industry and global trends, and independence of judgment etc.

#### Board Familiarization Programme

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. The Director is also explained in detail the compliance required from him/her under the Companies Act, 2013, Listing Regulations and other relevant regulations.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his/her role as Director of the Company. The details of familiarization programmes have been posted on the website of the Company at [www.adinathtextiles.com](http://www.adinathtextiles.com).

### 3. Audit Committee

#### i. Terms of Reference:

Company has constituted Audit Committee in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. The committee's terms and reference, authority and powers are in conformity with the requirements of the Companies Act, 2013 and Listing Regulations. All financial statements are reviewed by the Audit Committee before submission to the Board.

**ii. Composition, Name of Members and Chairperson**

| Name of Member   | Designation | Meetings Attended |
|--|-------------|-------------------|
| Surinder Kumar Sekhri<br>(till 11 <sup>th</sup> November 2020)   | Chairman    | 3                 |
| Ramesh Chander Juneja<br>(w.e.f. 11 <sup>th</sup> November 2020) | Chairman    | 4                 |
| Priya Begana   | Member      | 4                 |
| Harbhajan Kaur Bal<br>(w.e.f. 11 <sup>th</sup> November 2020)    | Member      | 1                 |

iii. Four Audit Committee Meetings were held during the financial year 2020-21 on 29<sup>th</sup> July, 2020, 14<sup>th</sup> September, 2020, 11<sup>th</sup> November, 2020 and 12<sup>th</sup> February, 2021.

**4. Nomination and Remuneration Committee****i. Terms of Reference:**

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations and the Companies Act, 2013.

**ii. Composition, Name of Members and Chairperson**

Three Meeting of the Nomination and Remuneration Committee was held during the Financial Year 2020-21 on 27<sup>th</sup> April, 2020, 11<sup>th</sup> November, 2020 and 12<sup>th</sup> February, 2021.

| Name of Member   | Designation | Meetings Held | Meetings Attended |
|--|-------------|---------------|-------------------|
| Surinder Kumar Sekhri<br>(till 11 <sup>th</sup> November 2020)   | Chairman    | 3             | 2                 |
| Ramesh Chander Juneja<br>(w.e.f. 11 <sup>th</sup> November 2020) | Chairman    | 3             | 3                 |
| Priya Begana   | Member      | 3             | 2                 |
| Harbhajan Kaur Bal<br>(w.e.f. 11 <sup>th</sup> November 2020)    | Member      | 3             | 1                 |

**iii. Nomination and Remuneration Policy**

The Nomination and Remuneration policy of the Company is designed to attract, motivate and retain manpower in competitive market. The Key provisions of such policy are given in Board's Report.

**iv. Remuneration of Directors****Executive Directors**

No remuneration was paid to the Executive Directors during the F.Y. 2020-21.

**Non- Executive Directors**

The Non Executive Directors are paid the sitting fee and/or reimbursement of out of pocket expenses incurred by them for attending the meeting of Board. The sitting fee amount is within the limits prescribed under the Companies Act, 2013 and rules made there under. No other payment is made to any of the Non executive Director. No stock option has been given to any of the Directors, including Executive Directors.

(Amount in ₹)

| Name of Member   | Category             | Sitting Fees for Board Meeting |
|--|----------------------|--------------------------------|
| Surinder Kumar Sekhri<br>(till 11 <sup>th</sup> November 2020) | Independent Director | 3,000                          |
| Ramesh Chander Juneja  | Independent Director | 3,750                          |
| Priya Begana   | Independent Director | 30,000                         |
| Harbhajan Kaur Bal<br>(w.e.f. 11 <sup>th</sup> November 2020)  | Independent Director | 750                            |

**5. Stakeholders Relationship Committee**

The Board has formed an investors' Grievance Committee named as Stakeholder's Relationship Committee to specifically look into the redressal of investors' complaint like transfer of shares, non receipt of balance sheet or non receipt of credit of shares into the Demat account etc. The committee also approves issue of duplicate share certificate(s) and oversees and reviews all matters connected with the share transfer.

**I. Composition**

| Name of Member        | Designation | Meetings Held | Meetings Attended |
|-----------------------|-------------|---------------|-------------------|
| Ramesh Chander Juneja | Chairman    | 1             | 1                 |
| Rajneesh Oswal        | Member      | 1             | 1                 |
| Priya Begana          | Member      | 1             | 1                 |
| Vishal Oswal          | Member      | 1             | 1                 |

ii. Mr. Parminder Singh, Company Secretary is the Compliance Officer of the Company. The company has designated the email id [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com) for the purpose of registering complaints by investors electronically. The email id is displayed on the company's website.

iii. The details regarding the investor's complaints are as under:

| Particulars              | No. of Complaints | Particulars              | No. of Complaints |
|--------------------------|-------------------|--------------------------|-------------------|
| Pending as on 01-04-2020 | 0                 | Resolved during the year | 1                 |
| Received during the year | 1                 | Pending as on 31-03-2021 | 0                 |

**6. Independent Directors Meeting**

During the year, the Independent Directors met on 12<sup>th</sup> February, 2021 to:

- Review the performance of Non-Independent Directors and the Board as a whole.
- Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Evaluate the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**7. General Body Meetings**

(i) Location and time where last three Annual General Meetings were held and details of special resolution(s) passed:

| Financial Year | Date of A.G.M    | Time       | Venue  | No. of Special Resolutions Passed |
|----------------|------------------|------------|--|-----------------------------------|
| 2019 - 2020    | 21st Dec., 2020  | 11.00 A.M. | Regd. Office of the Company at Vill. Bholapur, P.O. Shabana, Chandigarh Road, Ludhiana- 141123 | 2                                 |
| 2018 - 2019    | 27th Sept., 2019 | 11.00 A.M. | ----Do----   | 4                                 |
| 2017 - 2018    | 28th Sept., 2018 | 3.00 P.M.  | ----Do----   | ---                               |

**(ii) Postal Ballot**

During the year under review, no resolution was passed through Postal Ballot. Further, no resolution is proposed to be passed through postal ballot.

**8. Disclosures**

- i. The details of related party transactions, are placed before Audit Committee and these are disclosed in the Notes on Account to the Balance Sheet. For the year 2020-21, there was no transaction of material nature with related parties.

- ii. There are no pecuniary relationships (except sitting fees) or transactions of non executive directors vis-à-vis Company that have a potential conflict with the interests of the company.
- iii. The company has complied with requirements of the stock exchange as well as the Regulations and Guidelines prescribed by the Securities & Exchange Board of India. There were no penalties or strictures imposed on the company by Stock Exchange or SEBI, any statutory authority on any matter related to capital markets during last three years.
- Company has paid up to date Listing Fees to the Bombay Stock Exchange.
- iv. The company has complied with all mandatory requirements of listing regulations on corporate governance.
- v. As on 31<sup>st</sup> March, 2021 none of the non-executive directors, is holding any equity shares of the company.
- vi. The company has a Whistle Blower Policy in place and it has not denied access to any personnel to approach the Management or the Audit Committee on any issue.
- vii. Mr. Rajneesh Oswal, Chairman & Managing Director and Mr. Vishal Oswal, Vice-Chairman & Managing Director are real brothers. No other director of the company is having any relationship with each other.

#### 9. Means of Communication

|     |  |  |
|-----|--|--|
| i   | Quarterly Results  | Published in the newspapers every quarter                            |
| ii  | Newspapers wherein results normally published                        | The Financial Express and Dosh Sewak                                 |
| iii | Any website, where results are displayed                             | <a href="http://www.adinathtextiles.com">www.adinathtextiles.com</a> |
| iv  | Whether it also displays official news releases                      | No   |
| v   | The presentations made to Institutional Investors or to the Analysts | No   |

**SCORES (Sebi Complaints Redressal System):** The Investor Complaints are processed in a centralized web based complaints redressal system on [www.scores.gov.in](http://www.scores.gov.in), a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company had dispose of all the pending complaints filed through scores.

**Online Filing:** Periodical compliance filings like shareholding pattern, corporate governance report, announcements, corporate actions etc. have been filed electronically on BSE –Corporate Compliance & Listing Centre.

#### 10. General Share Holders Information

(i) **Annual General Meeting:**

Date & Time: Thursday, the 30<sup>th</sup> day of September, 2021 at 11:00 A.M.

Place: Regd. office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana -141 123.

(ii) **Financial Year:** The company's Financial Year starts from 1<sup>st</sup> April every year and conclude on 31<sup>st</sup> March, next year.

(iii) **Book Closure:** Friday, 24<sup>th</sup> September, 2021 to Thursday, 30<sup>th</sup> September, 2021 (both days inclusive).

(iv) Company has not declared any dividend during the year 2020-21.

(v) **Listing Details:** The Equity shares of the Company are listed on Bombay Stock Exchange, Phirozee Jeejeebhoy Towers, 25th floor, Dalal street, Mumbai-400001 Stock Code (BSE): 514113

(vi) **Depositories for Equity Shares:** National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

ISIN No. for the Companies Equity Shares: INE207C01019

(vii) **Registrar and Share Transfer Agent.**

The details of Registrar & Transfer Agents areas under

Name : Skyline Financial Services (P) Ltd.

Address : D-153/A 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1 New Delhi-11 0020

Phone No. : 011-40450193-97

Fax No. : 011-26812682

Contact Person : Mr. Subhash Aggarwal, Director / Mr. Virender Rana, Vice-President.

(viii) Distribution of Equity share capital as on 31.03.2021

Nominal Value of Each Share: Rs.10

| SHARE HOLDING<br>NOMINAL VALUE<br>(in Rs.) |          | NO. OF<br>SHARE<br>HOLDERS | PERCENTAGE<br>OF TOTAL<br>NUMBERS | SHARE<br>HOLDING<br>AMOUNT (in Rs.) | PERCENTAGE OF<br>TOTAL<br>AMOUNT |
|--|----------|----------------------------|-----------------------------------|-------------------------------------|----------------------------------|
| From                                       | To       |                            |                                   |                                     |                                  |
| Up To 5,000                                |          | 21943                      | 96.95                             | 27524810.00                         | 40.38                            |
| 5,001                                      | 10,000   | 440                        | 1.94                              | 3487450.00                          | 5.12                             |
| 10,001                                     | 20,000   | 149                        | 0.66                              | 2110820.00                          | 3.10                             |
| 20,001                                     | 30,000   | 40                         | 0.18                              | 988190.00                           | 1.45                             |
| 30,001                                     | 40,000   | 16                         | 0.07                              | 557240.00                           | 0.82                             |
| 40,001                                     | 50,000   | 8                          | 0.04                              | 359000.00                           | 0.53                             |
| 50,001                                     | 1,00,000 | 17                         | 0.08                              | 1082450.00                          | 1.59                             |
| 1,00,000 and Above                         |          | 17                         | 0.08                              | 32033540.00                         | 47.01                            |
| <b>TOTAL</b>                               |          | <b>22630</b>               | <b>100.00</b>                     | <b>68143500.00</b>                  | <b>100.00</b>                    |

\* The distribution is after excluding the shares forfeited but not re- allotted.

(ix) As on 31.03.2021, 59.75% of the total paid up capital of the company is held with depositories in dematerialized form.

(x) Share Transfer System:

The company's shares are in compulsory dematerialized list and are transferable through depository system. Shares in physical form are processed and approved by M/s Skyline Financial Services Pvt. Ltd., the Registrar and Transfer Agents and approved/taken note of by the Stakeholder's Relationship Committee. The physical share transfers are generally processed within a period of 15 days from the date of receipt of transfer documents by M/s Skyline Financial Services Pvt. Ltd.

**Shareholders who hold shares in the physical form and wish to make Change/ nomination in respect of their shares in the company, as permitted under Companies Act, 2013 may submit the same to Registrars & Transfer Agents of the company in the prescribed Form.**

(xi) Market Price data: The monthly high / low / close price of the shares during the financial year 2020-21 at BSE are as under:

| Month & Year | ATL Share Price |      |       |
|--------------|-----------------|------|-------|
|              | High            | Low  | Close |
| Apr-20       | 1.60            | 1.52 | 1.52  |
| May-20       | 1.59            | 1.45 | 1.59  |
| Jun-20       | 1.71            | 1.50 | 1.62  |
| Jul-20       | 2.00            | 1.56 | 1.56  |
| Aug-20       | 1.79            | 1.41 | 1.58  |
| Sep-20       | 1.60            | 1.38 | 1.40  |
| Oct-20       | 1.35            | 1.26 | 1.30  |
| Nov-20       | 1.30            | 1.24 | 1.30  |
| Dec-20       | 1.72            | 1.25 | 1.71  |
| Jan-21       | 3.38            | 1.71 | 3.35  |
| Feb-21       | 4.60            | 3.36 | 3.74  |
| Mar-21       | 3.74            | 3.12 | 3.12  |



- (xii) The Company has not issued any GDR's / ADR's and there are no warrants or any convertible warrants.
- (xiii) Location of Plant:  
Adinath Textiles Ltd., Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana (Punjab) 141 123
- (xiv) Address for Correspondence:  
Adinath Textiles Limited, Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana (India) -141 123  
Ph. (0161) 2685270, 9876100948, Email: atl@shreyansgroup.com, Website: www.adinathtextiles.com

**12. OTHER DISCLOSURES**

- The company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable.
- There is no Non- Compliance of any requirement of Corporate Governance Report of Sub para (2) to (10) of Part C of Schedule V of the Listing Regulations.
- The Company has complied with all the applicable corporate governance requirements specified in regulation 17 to 27 with schedule II and V of the Listing Regulations.
- The Company has paid total fees of Rs. 55,000/- for FY 2020-21 for all services to the Statutory Auditors of the Company.
- All the necessary disclosures/policies/codes/intimations etc under the Companies Act, 2013, SEBI (LODR) Regulations, as amended from time to time and other enactments etc are uploaded under a separate section "INVESTORS" on website of the Company i.e. [www.adinathtextiles.com](http://www.adinathtextiles.com)
- The Company has already complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of women at workplace [Prevention and Redressal] Act, 2013. There were no complaints/cases reported with internal complaints committee formed under the [Sexual Prohibition and Redressal] Act, 2013.

**DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATIONS 26(3) OF THE LISTING REGULATIONS**

To,  
The Members,  
Adinath textiles Ltd.  
Ludhiana.

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the Directors and Senior Management Personnel as approved by the Board for the Financial Year ended 31<sup>st</sup> March, 2021 in terms of regulations 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Ludhiana  
Date : 25<sup>th</sup> June, 2021

Sd/-  
Rajneesh Oswal  
Chairman & Managing Director  
(DIN : 00002668)

**Practicing Company Secretary Certificate on Compliance  
with the condition of Corporate Governance**

To  
The Members  
Adinath Textiles Ltd

We have examined the compliance of conditions of corporate governance by Adinath Textiles Limited (the company) for the year ended 31<sup>st</sup> March, 2021 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing regulations, as applicable.

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 P. S. Bathla & Associates  
Company Secretaries

(P.S. Bathla)  
C. P. No. 2585  
M. No. 4391

Place : Ludhiana  
Dated : 25<sup>th</sup> June, 2021  
UDIN : F004391C000849411

**CMD & CFO CERTIFICATION**

To  
The Members,  
Adinath Textiles Ltd,  
Ludhiana.

- a) We have reviewed financial statements and the cash flow statements for the year ended 31<sup>st</sup> March, 2021 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
  - these statements together present a true and fair view of the company's affairs and are in compliance with existing Indian accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design of operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
- significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Sd/-**  
**Rajneesh Oswal**  
**Chairman & Managing Director**  
**(DIN : 00002668)**  
**Place : Ludhiana**  
**Date : 25<sup>th</sup> June, 2021**

**Sd/-**  
**Rajesh Kumar**  
**Chief Financial Officer**

**Certificate from Company Secretary in Practice (Pursuant to clause 10 of Part C of Schedule V of LODR)**

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Adinath Textiles Limited (CIN: L17115PB1979PLC003910), I hereby certify that:

On the basis of written representation/declaration received from the Directors and taken on record by the Board of Directors, as on March 31, 2021, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

**For P. S. Bathla & Associates**  
**Company Secretaries**

**(P.S. Bathla)**  
**C. P. No. 2585**  
**M. No. 4391**

**Place : Ludhiana**  
**Dated : 25<sup>th</sup> June, 2021**  
**UDIN : F004391C000849345**

## INDEPENDENT AUDITOR'S REPORT

To,

The Members

ADINATH TEXTILES LIMITED

Report on the Ind AS Financial Statements  
Opinion

We have audited the accompanying financial statements of ADINATH TEXTILES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021 and its net profit, its cash flows, total comprehensive income and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**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. We have determined that there are no key audit matters to communicate in our report.

**Information Other than the Financial Statements and Auditor's Report thereon**

The Board of Directors is responsible for the other information. The other information comprises the information included in the company's annual report, (but does not include the 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 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.

**Responsibilities of Management and Those Charged with Governance for Financial Statement**

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the relevant rules issued thereunder. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibility for the audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
  - e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013;
  - 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"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statement. Refer clause vii(a) of the annexure-A to the audit report.
    - (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.

**For Malhotra Manik & Associates**  
**Chartered Accountants**  
**Firm's Reg. No. 015848N**

Sd/-  
**CA Amarjit Kamboj**  
**Partner**

**Place : Ludhiana**  
**Date : 25<sup>th</sup> June, 2021**

**Membership No. 082152**  
**UDIN : 21082152AAAAAQ4904**

**ANNEXURE- A TO THE INDEPENDENT AUDITORS-REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of ADINATH TEXTILES LIMITED on the Ind AS financial statements for the year ended on 31st March, 2021. We report that:

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have not been physically verified by the management during the year, but the Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the physical verification of inventories has been conducted at reasonable interval by the management. As explained to us, no material discrepancies were noticed on physical verification of inventories carried out by the management as compared to the book records.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured, to Companies, Firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of the section 186 of the Companies Act, 2013 pursuant to investment made. The company has not granted loans to directors or to the person in whom directors are interested. Therefore, the provisions of section 185 of the Companies Act, 2013 are not applicable to the company.
- (v) The Company has not accepted deposits from the public within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) As per information & explanations given by the management, maintenance of cost records is not required to be maintained as required under sub-section (1) of section 148 of the companies Act, 2013 read with Rule 3 of Companies (Cost Records and Audit) Amendment Rules, 2014.
- (vii) (a) According to the information and explanations given to us and the books and records examined by us, we state that the company is regular in depositing undisputed statutory dues including income tax, provident fund, employees state insurance, service tax and other statutory dues to the appropriate authorities.
- The details of the undisputed statutory dues to the extent of the arrears of outstanding statutory dues as on last day of financial year outstanding for a period of more than six months from the date they became payable :
- | Name of The Statutory of Dues | Amount in (Rs.) |
|-------------------------------|-----------------|
| Sales Tax                     | 22,77,956       |
| Entry Tax                     | 2,37,798        |
| Interest on PF/ESI/ SALE TAX  | 7,65,207        |
- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any amount outstanding to bank, financial institutions or debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, there were no moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company, by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of records of company, the company has not paid / provided any managerial remuneration and therefore the provisions of section 197 read with Schedule V to the Act are not applicable to the company.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and therefore, the provisions of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.





receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

**For Malhotra Manik & Associates  
Chartered Accountants  
Firm's Reg. No. 015848N**

**Place : Ludhiana  
Date : 25<sup>th</sup> June, 2021**

**CA Amarjit Kamboj  
Partner  
Membership No. 082152  
UDIN : 21082152AAAAAQ4904**

**BALANCE SHEET AS AT 31ST MARCH 2021**

| PARTICULARS  | Note No. | As at 31/03/2021<br>₹ | As at 31/03/2020<br>₹ |
|--|----------|-----------------------|-----------------------|
| <b>I. ASSETS</b>   |          |                       |                       |
| <b>1 Non-current assets</b>  |          |                       |                       |
| (a) Property Plant & Equipment                                       | 3        | 85,24,563.51          | 97,98,728.86          |
| (b) Financial Assets   |          |                       |                       |
| - investments  | 4        | 1,38,10,312.16        | 49,95,392.74          |
| (c) Deffered Tax Asset (Net)   | 5        | ---                   | 2,83,651.81           |
| (d) Other non-current assets   | 6        | 9,67,341.00           | 9,67,541.00           |
| <b>Total Non-current Assets</b>                                      |          | <b>2,33,02,216.67</b> | <b>1,60,45,314.41</b> |
| <b>2 Current Assets</b>  |          |                       |                       |
| (a) Inventories  | 7        | 1,04,797.00           | 1,04,797.00           |
| (b) Financial Assets   |          |                       |                       |
| - Trade receivables  | 8        | 27,71,987.85          | 27,79,118.05          |
| - Cash and cash equivalents  | 9        | 55,89,480.31          | 90,53,078.76          |
| (c) Others current assets  | 10       | 16,03,921.90          | 43,58,657.64          |
| (d) Current tax assets   | 11       | 6,87,502.00           | ---                   |
| <b>Total Current Assets</b>  |          | <b>1,07,57,689.06</b> | <b>1,62,95,651.45</b> |
| <b>Total Assets</b>  |          | <b>3,40,59,905.73</b> | <b>3,23,40,965.86</b> |
| <b>II. EQUITY AND LIABILITIES</b>                                    |          |                       |                       |
| <b>Equity</b>  |          |                       |                       |
| (a) Equity Share Capital   | 12       | 6,99,43,500.00        | 6,99,43,500.00        |
| (b) Other Equity   | 13       | (5,45,02,494.86)      | (5,78,23,997.67)      |
| <b>Total Equity</b>  |          | <b>1,54,41,005.14</b> | <b>1,21,19,502.33</b> |
| <b>LIABILITIES</b>   |          |                       |                       |
| <b>1 Non-current liabilities</b>                                     |          |                       |                       |
| (a) Financial Liabilities  |          |                       |                       |
| - Other financial liabilities  | 14       | 79,784.30             | 73,196.60             |
| (b) Provisions   | 15       | 16,24,127.00          | 16,52,706.00          |
| (c) Deffered Tax Liabilities (Net)                                   | 5        | 3,00,697.99           | ---                   |
| <b>Total Non-current Liabilities</b>                                 |          | <b>20,04,609.29</b>   | <b>17,25,902.60</b>   |
| <b>2 Current liabilities</b>   |          |                       |                       |
| (a) Financial Liabilities  |          |                       |                       |
| - Borrowings   |          | ---                   | ---                   |
| - Trade Payables   |          |                       |                       |
| a) total outstanding dues of micro enterprises and small enterprises | 16       | ---                   | ---                   |
| b) total outstanding dues of creditor other than ii (a) above        | 16       | 5,67,158.46           | 5,56,193.58           |
| - Other financial liabilities  | 17       | 1,07,60,382.98        | 1,26,23,805.12        |
| (b) Other current liabilities  | 18       | 51,37,088.86          | 47,25,338.23          |
| (c) Provisions   | 19       | 1,49,661.00           | 5,90,224.00           |
| <b>Total Current liabilities</b>                                     |          | <b>1,66,14,291.30</b> | <b>1,84,95,560.93</b> |
| <b>Total Equity &amp; Liabilities</b>                                |          | <b>3,40,59,905.73</b> | <b>3,23,40,965.86</b> |

 Subject to our separate report of even date **1 to 45**

The accompanying notes are an integral part of these financial statements.

**For Malhotra Manik & Associates**  
**Chartered Accountants**
**For and on behalf of the Board of Directors**
**(Amarjit Kamboj)**  
 Partner

**(Rajneesh Oswal)**  
 Chairman and  
 Managing Director  
 DIN 00002668

**(Vishal Oswal)**  
 Vice-Chairman and  
 Managing Director  
 DIN 00002678

**(Parminder Singh)**  
 Company Secretary

**(Rajesh Kumar)**  
 CFO

**PLACE : LUDHIANA**  
**DATED : 25.06.2021**

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2021**

| PARTICULARS  | Note No. | For the year ended<br>31/03/2021 (₹) | For the year ended<br>31/03/2020 (₹) |
|--|----------|--------------------------------------|--------------------------------------|
| <b>I. REVENUE</b>  |          |                                      |                                      |
| Revenue from operations  |          | ---                                  | ---                                  |
| Other income   | 21       | 1,68,97,701.74                       | 1,38,71,358.44                       |
| <b>Total Revenue</b>   |          | <b>1,68,97,701.74</b>                | <b>1,38,71,358.44</b>                |
| <b>II. EXPENSES</b>  |          |                                      |                                      |
| Employee Benefits expense  | 22       | 59,57,691.22                         | 66,81,949.90                         |
| Financial costs  | 24       | 16,058.49                            | 12,307.22                            |
| Depreciation and amortization expense  | 3        | 15,74,340.00                         | 18,96,272.00                         |
| Other expenses   | 25       | 50,30,830.41                         | 52,52,565.98                         |
| <b>Total Expenses</b>  |          | <b>1,25,78,920.12</b>                | <b>1,38,43,095.10</b>                |
| <b>III. Profit/(Loss) before exceptional items and tax (I-II)</b>  |          | <b>43,18,781.61</b>                  | <b>28,263.34</b>                     |
| IV. Exceptional items [(Income)/ Expense]  |          | ---                                  | ---                                  |
| <b>V. Profit/(Loss) before tax (III+IV)</b>  |          | <b>43,18,781.61</b>                  | <b>28,263.34</b>                     |
| <b>VI. Tax expense:</b>  |          |                                      |                                      |
| i) Current tax   |          | 5,44,014.00                          | ---                                  |
| ii) Deferred tax (Assets)/Liabilities  |          | 6,18,661.81                          | (1,77,425.66)                        |
| iii) MAT Credit Entitlement  |          | ---                                  | ---                                  |
| iv) Tax expense relating to earlier years  |          | 885.00                               | 14,830.00                            |
| <b>VII. Profit/(Loss) for the year from continuing operations (V-VI)</b>   |          | <b>31,55,220.81</b>                  | <b>1,90,859.00</b>                   |
| VIII. Profit/(Loss) for the year from discontinued operations  | 20,23,26 | ---                                  | (8,72,789.61)                        |
| IX. Tax expenses of discontinued operations  |          | ---                                  | ---                                  |
| <b>X. Profit/(Loss) from discontinued operations (VIII-IX)</b>   |          | <b>---</b>                           | <b>(8,72,789.61)</b>                 |
| XI. Profit/(Loss) for the year (VII+X)   |          | <b>31,55,220.81</b>                  | <b>(6,81,930.61)</b>                 |
| <b>VIII. Other Comprehensive Income</b>  |          |                                      |                                      |
| <b>A</b> i) Items that will not be reclassified to Profit or Loss<br>(on account of remeasurements of defined benefit plans) |          | 1,31,970.00                          | 73,684.00                            |
| ii) Income tax related to items that will not be reclassified to profit or loss  |          | (34,312.00)                          | (19,158.00)                          |
| <b>B</b> i) Items that will be reclassified to Profit or Loss  |          | ---                                  | ---                                  |
| ii) Income tax related to items that will be reclassified to profit or loss  |          | ---                                  | ---                                  |
| <b>IX. Total Comprehensive Income/(Loss) for the period (VII+VIII)</b>   |          | <b>33,21,502.81</b>                  | <b>(5,89,088.61)</b>                 |
| <b>Earning per equity share (Nominal Value per share : ₹10) For Continuing Operations</b>                                    |          |                                      |                                      |
| Basic  |          | 0.46                                 | 0.03                                 |
| Diluted  |          | 0.46                                 | 0.03                                 |
| <b>Earning per equity share (Nominal Value per share : ₹10) For Discontinuing Operations</b>                                 |          |                                      |                                      |
| Basic  |          | ---                                  | (0.13)                               |
| Diluted  |          | ---                                  | (0.13)                               |
| <b>Earning per equity share (Nominal Value per share : ₹10) For Continuing &amp; Discontinuing Operations</b>                |          |                                      |                                      |
| Basic  |          | 0.46                                 | (0.10)                               |
| Diluted  |          | 0.46                                 | (0.10)                               |

Subject to our separate report of even date **1 to 45** The accompanying notes are an integral part of these financial statements.

**For Malhotra Manik & Associates For and on behalf of the Board of Directors**

**Chartered Accountants**

**(Amarjit Kamboj)**  
Partner

**(Rajneesh Oswal)**  
Chairman and  
Managing Director  
DIN 00002668

**(Vishal Oswal)**  
Vice-Chairman and  
Managing Director  
DIN 00002678

**(Parminder Singh) (Rajesh Kumar)**  
Company Secretary CFO

**PLACE : LUDHIANA**  
**DATED : 25.06.2021**

**STATEMENT OF CHANGES IN EQUITY**

| PARTICULARS                                       | As at 31st March 2021 |                    | As at 31st March 2020 |                    |
|---|-----------------------|--------------------|-----------------------|--------------------|
|   | Number                | Amount             | Number                | Amount             |
| <b>Equity Share Capital</b>                       |                       |                    |                       |                    |
| Balance at the beginning of reporting period      | 86,16,800             | 6,99,43,500        | 86,16,800             | 6,99,43,500        |
| Changes in Equity Share Capital                   | -                     | -                  | -                     | -                  |
| <b>Balance at the closing of reporting period</b> | <u>86,16,800</u>      | <u>6,99,43,500</u> | <u>86,16,800</u>      | <u>6,99,43,500</u> |

**Other Equity**

| PARTICULARS  | Reserves and Surplus |                    |                       | Equity Instruments through other comprehensive income | Other items of other comprehensive income | Total                |
|--|----------------------|--------------------|-----------------------|---|---|----------------------|
|  | Capital reserve      | Securities premium | Retained Earnings     |   |   |                      |
| <b>Balance as at 01 April 2020</b>                 | 12000.00             | 69507250.00        | (127641226.74)        | 122027.22   | 175951.85                                 | (57823997.67)        |
| Changes in equity for the year ended 31 March 2021 |                      |                    |                       |   |   |                      |
| Profit for the year                                |                      |                    | 3155220.81            |   |   | 3155220.81           |
| Other Comprehensive Income for the year            |                      |                    |                       |   | 166282.00                                 | 166282.00            |
| <b>Total Comprehensive Income for the year</b>     |                      |                    | <u>3155220.81</u>     |   | <u>166282.00</u>                          | <u>3321502.81</u>    |
| <b>Balance as at 31st March 2021</b>               | <u>12000.00</u>      | <u>69507250.00</u> | <u>(124486005.93)</u> | <u>122027.22</u>                                      | <u>342233.85</u>                          | <u>(54502494.86)</u> |
| <b>Balance as at 01 April 2019</b>                 | 12000.00             | 69507250.00        | (126959296.13)        | 122027.22   | 83109.85                                  | (57234909.06)        |
| Changes in equity for the year ended 31 March 2019 |                      |                    |                       |   |   |                      |
| Profit for the year                                |                      |                    | (681930.61)           |   |   | (681930.61)          |
| Other Comprehensive Income for the year            |                      |                    |                       |   | 92842.00                                  | 92842.00             |
| <b>Total Comprehensive Income for the year</b>     |                      |                    | <u>(681930.61)</u>    |   | <u>92842.00</u>                           | <u>(589088.61)</u>   |
| <b>Balance as at 31st March 2020</b>               | <u>12000.00</u>      | <u>69507250.00</u> | <u>(127641226.74)</u> | <u>122027.22</u>                                      | <u>175951.85</u>                          | <u>(57823997.67)</u> |

Subject to our separate report of even date 2

The accompanying notes are an integral part of these financial statements.

**For Malhotra Manik & Associates**  
 Chartered Accountants

**For and on behalf of the Board of Directors**
**(Amarjit Kamboj)**  
 Partner

**(Rajneesh Oswal)**  
 Chairman and  
 Managing Director  
 DIN 00002668

**(Vishal Oswal)**  
 Vice-Chairman and  
 Managing Director  
 DIN 00002678

**(Parminder Singh)**  
 Company Secretary

**(Rajesh Kumar)**  
 CFO

**PLACE : LUDHIANA**  
**DATED : 25.06.2021**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021**

| PARTICULARS  | DETAIL              | 2020-21              | DETAIL             | 2019-20              |
|--|---------------------|----------------------|--------------------|----------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                       |                     |                      |                    |                      |
| Net Profit/(Loss) Before Exceptional items & Tax                                   |                     | 4318781.61           |                    | (844526.27)          |
| <b>Adjustment For Non Cash &amp; Non Operating Items:-</b>                         |                     |                      |                    |                      |
| Depreciation and amortisation expences   | 1574340.00          |                      | 1975037.00         |                      |
| Interest Income  | (33152.00)          |                      | (33152.00)         |                      |
| Financial Expenses   | 16058.49            |                      | 12307.22           |                      |
| Loss/(Profit) on Sale & Discard of PPE   | ---                 |                      | 904846.39          |                      |
| Allowance for doubtful/credit loss for trade receivables and advances written back | ---                 |                      | ---                |                      |
| Gain on fair valuation of investments  | (814919.42)         |                      | (135049.44)        |                      |
| Rental Income  | (15774894.00)       |                      | (13379842.00)      |                      |
|  | (15032566.92)       | (15032566.92)        | (10655852.83)      | (10655852.83)        |
| <b>Operating Profit Before Working Capital Changes</b>                             |                     | <b>(10713785.31)</b> |                    | <b>(11500379.10)</b> |
| <b>Adjustment For Changes in Working Capital</b>                                   |                     |                      |                    |                      |
| Increase/(Decrease) in Trade Recievable  | 139100.20           |                      | 841775.00          |                      |
| (Increase)/Decrease in Other Current Assets  | 2754735.74          |                      | (966155.33)        |                      |
| (Increase)/Decrease in Current Tax Assets  | (687502.00)         |                      | ---                |                      |
| (Increase)/Decrease in Other Non Current Assets                                    | 200.00              |                      | (200.00)           |                      |
| (Increase)/Decrease in Trade Payables  | 10964.88            |                      | (20174.72)         |                      |
| Increase/(Decrease) in other Current Liabilities                                   | 411750.63           |                      | 107072.16          |                      |
| (Increase)/Decrease in Current Provisions  | (440563.00)         |                      | (76490.00)         |                      |
| (Increase)/Decrease in Non-Current Provisions                                      | (28579.00)          |                      | (36179.00)         |                      |
| (Increase)/Decrease in Other Financial Liabilities                                 | (363422.14)         |                      | (911124.61)        |                      |
|  | 1796685.31          | 1796685.31           | (1061476.50)       | (1061476.50)         |
| <b>Cash Flow From Operating Activities Before Exceptional Items &amp; tax</b>      |                     | <b>(8917100.00)</b>  |                    | <b>(12561855.60)</b> |
| Direct Taxes Paid  | (544899.00)         |                      | (14830.00)         |                      |
|  | (544899.00)         | (544899.00)          | (14830.00)         | (14830.00)           |
| <b>Net Cash Used in Operating Activities</b>                                       |                     | <b>(9461999.00)</b>  |                    | <b>(12576685.60)</b> |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                       |                     |                      |                    |                      |
| Purchase of Fixed Assets   | (300174.65)         |                      | (165086.01)        |                      |
| Sale of Fixed Assets   | ---                 |                      | 3113000.00         |                      |
| Investment in Mutual Fund  | (8000000.00)        |                      | ---                |                      |
| Rental Income  | 15774894.00         |                      | 13379842.00        |                      |
| Interest Income  | 33152.00            |                      | 33152.00           |                      |
| <b>Net Cash Generated from Investing Activities</b>                                | <b>7507871.35</b>   | <b>7507871.35</b>    | <b>16360907.99</b> | <b>16360907.99</b>   |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                       |                     |                      |                    |                      |
| Repayment of Long Term Borrowings  | (1500000.00)        |                      | ---                |                      |
| Financial Expenses   | (9470.80)           |                      | (6263.46)          |                      |
| <b>Net Cash Generated from/(used in) Financing Activities</b>                      | <b>(1509470.80)</b> | <b>(1509470.80)</b>  | <b>(6263.46)</b>   | <b>(6263.46)</b>     |
| Net Increase/(Decrease) in Cash and Cash Equivalents                               |                     | <b>(3463598.45)</b>  |                    | <b>3777958.93</b>    |
| Opening Cash and Cash Equivalents  |                     | <b>9053078.76</b>    |                    | <b>5275119.83</b>    |
| Closing Cash and cash Equivalents  |                     | <b>5589480.31</b>    |                    | <b>9053078.76</b>    |

This is the cash flow statement referred to in our report of even date.

**For Malhotra Manik & Associates**

**For and on behalf of the Board of Directors**

**Chartered Accountants**

**(Amarjit Kamboj)**  
Partner

**(Rajneesh Oswal)**  
Chairman and  
Managing Director  
DIN 00002668

**(Vishal Oswal)**  
Vice-Chairman and  
Managing Director  
DIN 00002678

**(Parminder Singh)**  
Company Secretary

**(Rajesh Kumar)**  
CFO

**PLACE : LUDHIANA**  
**DATED : 25.06.2021**

**1. CORPORATE INFORMATION**

Adinath Textiles Limited (the Company) is a public company incorporated under the provisions of the Companies Act, 1956. The company is engaged in manufacturing of Blended Acrylic yarn and Trading of unstitched Suitings, Shirts & Dress Materials. Due to no job work orders and accumulating losses, the Company's Plant at Village Bholapur, Chandigarh Road, Ludhiana, has been shut down and the Company has discontinued its operations during the FY 2019-20.

**2. SIGNIFICANT ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS :****2.1 Statement of Compliance**

The Financial statement comply in all material aspects with Indian accounting standards guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

**2.2 Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

**2.3 Functional and Presentation Currency-** The functional currency of company is Indian rupee. These financial statements are presented in Indian rupees.**2.4 Use of Estimates And Judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of the assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accordingly estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognized in the period in which the results are known. The areas involving significant estimates and judgement include determination of useful life of property, plant and equipment (Refer note 3), measurement of Defined Benefit Obligations (Refer note 34), recognition and Recognition of Deferred tax asset/liabilities (refer note 37).

**2.5 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, discounts, value added taxes and amounts collected on behalf of third parties. The effect on adoption of Ind AS 115 was insignificant as the revenue is of short term nature and performance obligations are satisfied upon delivery of goods.

**(i) Sales of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

**(ii) Services**

Revenue from the sale of services is recognized on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

**(iii) Rental Income**

The company policy for recognizing of revenue from operating lease is described below in part no 2.21.

**(iv) Interest**

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the



estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## 2.6 Employees Benefits

### (i) Short term employee Benefits :

Short term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

### (ii) Post Employment Benefits

#### (a) Defined Contribution Plans:

##### Provident Fund

Benefits to employees are provided for by contribution to Provident Fund and other funds in accordance with provisions of Employee Provident Fund and Miscellaneous Provisions Act, 1952, the payment of which are accounted for on accrual basis. Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense when an employee renders the related service.

#### (b) Defined Benefit Plans

##### Gratuity

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment of the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses are recognized in Other Comprehensive income which are not reclassified to profit or loss in subsequent periods.

### (iii) Long-term employee benefits (Leave Encashment)

The liability of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

## 2.7 Property, Plant and Equipment

Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The cost of an item of Property, Plant and Equipment comprises:

- i) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- ii) Any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use and
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- iv) The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except the assets costing 5000/- or below on which depreciation is charged @ 100% per annum on proportionate basis, are as follows:

|                     |   |              |
|---------------------|---|--------------|
| Building            | - | 30-60 years. |
| Plant and Machinery | - | 10-25 years. |
| Office Equipment    | - | 5 years      |

|                                 |            |
|---------------------------------|------------|
| Computer Equipment              | - 3 years. |
| Furniture and fittings          | - 10 years |
| Vehicles excluding Motor cycles | - 08 years |
| Motor cycles                    | - 10 years |

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other 'non-current assets' and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the assets and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

#### 2.8 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under :-

- (i) In case of stores and spares at weighted average cost plus direct expenses. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

#### 2.9 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs they an entity incurs in connection with the borrowing of funds.

#### 2.10 Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholder is divided by weighted average number of shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares, if any.

#### 2.11 Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively. Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

##### MAT

Minimum Alternative tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustments 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 credit is recognized as asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company.

**2.12 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**2.13 Initial Recognition and measurement**

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the profit and loss are immediately recognized in the Statements of Profit and Loss.

**(i) Subsequent measurement****(a) Non-derivative financial instruments****- Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**- Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**- Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income.

**- Financial liabilities**

The financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**- Derecognition of financial instruments**

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

**- Fair value measurement of financial instruments**

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

**(b) Ordinary Shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

**2.14 Impairment of assets****(i) Financial assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

(ii) **Non-financial assets**

**Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that they are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. Impairment is reviewed periodically, including at each financial year end.

**2.15 Cash flow statement**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

**2.16 Provisions**

(i) **A provision shall be recognized when:**

An entity has a present obligation as a result of a past event :

- (a) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (b) a reliable estimate can be made of the amount of the obligation.

**2.17 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position include cash in hand and at bank and short-term deposits with original maturity period of three months or less.

**2.18 Contingent Liabilities & Contingent Assets**

**Contingent Liabilities**

- (i) Provisions are recognized for liabilities that can be determined by using a substantial degree of estimation, if:
  - (a) The company has a present obligation as a result of a past event;
  - (b) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
  - (c) The amount of the obligation can be reliably estimated
- (ii) Contingent liability is disclosed in the case of:
  - (i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
  - (ii) a possible obligation, unless the probability of outflow of resources embodying economic benefits is remote.

**Contingent Assets**

- (i) Where an inflow if economic benefit is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of reporting period, and, where practicable, an estimate of their of effect, measured using the principles set out as per provisions.

**2.19 Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director & CEO.

**2.20 Leases**

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

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised as revenue in the period in which they are earned in compliance with the requirement of (Ind) AS -116. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Rental income from Factory building given on operating lease can be renewed by the mutual consent of the parties after the expiry date.

**2.21 Significant accounting judgments, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies requires the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements. The actual results may differ from the judgments, estimates and assumptions made by the management and will seldom equal the estimated results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**A) Critical Judgments**

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**(i) Deferred Tax Assets:**

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the company's forecast, which is adjusted for significant non-taxable income and expenses, and specific limits to the use of any unused tax loss or credit. The tax rules in India in which the company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

**(ii) Contingencies and commitments:**

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position.

**(iii) Useful lives of property, plant and equipment**

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

**B) Estimates and assumptions**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**(i) Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**a) Allowance/Impairment for uncollected accounts receivable and other advances:**

Trade receivables and other advances do not carry any interest and are stated at their normal value as reduced by appropriate allowance/impairment which is made on ECL, and the present value of the cash shortfall over the expected life of the financial assets.

**b) Recoverability of deferred tax assets:**

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to signification adjustment to the amounts reported in financial statement.

**c) Estimation of fair value of financial assets and financial liabilities:**

While preparing the financial statements the Company makes estimates and assumptions that affect the reported amount of financial assets and financial liabilities.

**d) Impact of Covid-19 Pandemic**

In March 2020, World Health Organization (WHO) has declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. The Company has made intensive efforts to surpass the Covid challenge through an enhanced hygiene and adherence to the social distancing norms, use of masks and sanitizers etc. The Company is committed to ensure the safety and wellbeing of its employees. The Company is continuously monitoring the impact on the operations and financials of the company and taking necessary steps in the best interest of its people, customers and communities and is confident that the demand situation will resume to its normalcy gradually.

**DEPRECIATION CHART AS PER COMPANIES ACT, 2013**
**NOTE No. 03 PROPERTY, PLANT & EQUIPMENT**

| PARTICULARS  | GROSS BLOCK         |                                |                                 |   | DEPRECIATION        |                     |                                 |                                   |                             | NET BLOCK           |                     |                     |
|--|---------------------|--------------------------------|---------------------------------|---|---------------------|---------------------|---------------------------------|-----------------------------------|-----------------------------|---------------------|---------------------|---------------------|
|  | As at<br>01/04/2020 | Addition<br>during the<br>year | Discarded<br>during the<br>year | Sales/Adjust-<br>ments during<br>the year | As at<br>31/03/2021 | As at<br>01/04/2020 | Discarded<br>during<br>the year | Adjustments<br>during<br>the year | Provided<br>for<br>the year | As at<br>31/03/2021 | As at<br>31/03/2021 | As at<br>31/03/2020 |
|  | ₹                   | ₹                              | ₹                               | ₹   | ₹                   | ₹                   | ₹                               | ₹                                 | ₹                           | ₹                   | ₹                   | ₹                   |
| Land   | 8,68,977            | 0                              | 0                               | 0   | 8,68,977            | 0                   | 0                               | 0                                 | 0                           | 0                   | 8,68,977            | 8,68,977            |
| Building   | 3,33,61,449         | 0                              | 0                               | 0   | 3,33,61,449         | 2,73,59,900         | 0                               | 0                                 | 11,58,353                   | 2,85,18,253         | 48,43,196           | 60,01,549           |
| Plant & Equipment<br>Furniture, Fixture &<br>Other Equipment | 1,64,77,031         | 2,800                          | 0                               | 0   | 1,64,79,831         | 1,56,21,427         | 0                               | 0                                 | 33,386                      | 1,56,54,813         | 8,25,019            | 8,55,605            |
| Vehicles   | 38,42,114           | 2,97,375                       | 0                               | 0   | 41,39,489           | 23,53,764           | 0                               | 0                                 | 2,71,834                    | 26,25,598           | 15,13,891           | 14,88,350           |
|  | 9,44,872            | 0                              | 0                               | 0   | 9,44,872            | 3,60,624            | 0                               | 0                                 | 1,10,767                    | 4,71,391            | 4,73,481            | 5,84,248            |
| <b>Total</b>   | <b>5,54,94,444</b>  | <b>3,00,175</b>                | <b>0</b>                        | <b>0</b>                                  | <b>5,57,94,618</b>  | <b>4,56,95,715</b>  | <b>0</b>                        | <b>0</b>                          | <b>15,74,340</b>            | <b>4,72,70,055</b>  | <b>85,24,564</b>    | <b>97,98,729</b>    |

| PARTICULARS  | GROSS BLOCK         |                                |                                 |   | DEPRECIATION        |                     |                                 |                                   |                             | NET BLOCK           |                     |                     |
|--|---------------------|--------------------------------|---------------------------------|---|---------------------|---------------------|---------------------------------|-----------------------------------|-----------------------------|---------------------|---------------------|---------------------|
|  | As at<br>01/04/2019 | Addition<br>during the<br>year | Discarded<br>during the<br>year | Sales/Adjust-<br>ments during<br>the year | As at<br>31/03/2020 | As at<br>01/04/2019 | Discarded<br>during<br>the year | Adjustments<br>during<br>the year | Provided<br>for<br>the year | As at<br>31/03/2020 | As at<br>31/03/2020 | As at<br>31/03/2019 |
|  | ₹                   | ₹                              | ₹                               | ₹   | ₹                   | ₹                   | ₹                               | ₹                                 | ₹                           | ₹                   | ₹                   | ₹                   |
| Land   | 8,68,977            | 0                              | 0                               | 0   | 8,68,977            | 0                   | 0                               | 0                                 | 0                           | 0                   | 8,68,977            | 8,68,977            |
| Building   | 3,32,92,329         | 69,120                         | 0                               | 0   | 3,33,61,449         | 2,58,50,118         | 0                               | 0                                 | 15,09,782                   | 2,73,59,900         | 60,01,549           | 74,42,211           |
| Plant & Equipment<br>Furniture, Fixture &<br>Other Equipment | 5,33,25,515         | 0                              | 3,53,13,561                     | 15,34,922                                 | 1,64,77,031         | 4,83,91,811         | 3,14,24,318                     | 14,58,176                         | 1,12,110                    | 1,56,21,427         | 8,55,605            | 49,33,704           |
| Vehicles   | 37,46,148           | 95,966                         | 0                               | 0   | 38,42,114           | 21,11,387           | 0                               | 0                                 | 2,42,377                    | 23,53,764           | 14,88,350           | 16,34,761           |
|  | 9,44,872            | 0                              | 0                               | 0   | 9,44,872            | 2,49,856            | 0                               | 0                                 | 1,10,768                    | 3,60,624            | 5,84,248            | 6,95,016            |
| <b>Total</b>   | <b>9,21,77,841</b>  | <b>1,65,086</b>                | <b>3,53,13,561</b>              | <b>15,34,922</b>                          | <b>5,54,94,444</b>  | <b>7,66,03,172</b>  | <b>3,14,24,318</b>              | <b>14,58,176</b>                  | <b>19,75,037</b>            | <b>4,56,95,715</b>  | <b>97,98,729</b>    | <b>1,55,74,669</b>  |



## 4. INVESTMENT (NON CURRENT)

| PARTICULARS  | As at 31/03/2021<br>₹ | As at 31/03/2020<br>₹ |
|--|-----------------------|-----------------------|
| <b>i. Investments in Equity instruments</b>  |                       |                       |
| <b>Unquoted-Long Term at FVTPL</b>   |                       |                       |
| 22500 (22500 in FY19) equity shares of Fountain Tie-Up Pvt. Ltd of Rs. 10 each               | 50,07,845.16          | 49,95,392.74          |
| <b>ii. Investments in Mutual Fund (Quoted)</b>   |                       |                       |
| 68794.559 (Previous year Nil) units of ICICI Prudential Short Term Fund of Rs. 43.6081 each  | 31,55,139.00          | ---                   |
| 61293.288 (Previous year Nil) units of ICICI Prudential US Bluechip Eq.Fund of Rs.32.63 each | 25,43,671.00          | ---                   |
| 124036.136 (Previous year Nil) units of SBI Short Term Fund of Rs. 24.1865 each              | 31,03,657.00          | ---                   |
|  | 1,38,10,312.16        | 49,95,392.74          |
| Aggregate value of unquoted investment   | 50,07,845.16          | 49,95,392.74          |
| Aggregate value of quoted investment   | 80,00,000.00          | ---                   |
| Market value of quoted investment  | 88,02,467.00          | ---                   |
| <b>5. DEFERRED TAX ASSET (NET)</b>   |                       |                       |
| Deffered Tax Liabilities   |                       |                       |
| Gross deferred tax liability (A) [Refer note 37(b)]  | 15,57,209.60          | 16,06,084.83          |
| Deffered Tax Asset   |                       |                       |
| Gross deferred tax asset (B) [Refer note 37(b)]  | 12,56,511.61          | 18,89,736.64          |
| <b>Deffered Tax Liability (net) (B-A)</b>  | <b>(3,00,697.99)</b>  | <b>2,83,651.81</b>    |
| <b>6. OTHER NON-CURRENT ASSETS</b>   |                       |                       |
| <b>Non Financial Assets at amortised cost</b>  |                       |                       |
| (unsecured, considered good)   |                       |                       |
| Security Deposits  | 9,67,341.00           | 9,67,541.00           |
| <b>TOTAL</b>   | <b>9,67,341.00</b>    | <b>9,67,541.00</b>    |
| <b>7. INVENTORIES</b>  |                       |                       |
| <b>STOCK &amp; STORES</b>  |                       |                       |
| Stores & Spares  | 1,04,797.00           | 1,04,797.00           |
| <b>TOTAL</b>   | <b>1,04,797.00</b>    | <b>1,04,797.00</b>    |
| <b>8. TRADE RECEIVABLES</b>  |                       |                       |
| Trade Receivable Considered good,Secured   |                       |                       |
|  | ---                   | ---                   |
| Trade Receivable Considered good,Unsecured   | 26,97,957.85          | 27,27,147.05          |
| Trade Receivable With significant Credit risk  |                       |                       |
| Trade Receivable Credit Impaired   | 86,32,978.96          | 86,10,919.96          |
|  | 1,13,30,936.81        | 1,13,38,067.01        |
| loss allowances for credit impaired  | (85,58,948.96)        | (85,58,948.96)        |
| <b>TOTAL</b>   | <b>27,71,987.85</b>   | <b>27,79,118.05</b>   |

- Note: 1. Trade receivables are non interest bearing and are generally on credit terms of 30-45 days.
2. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables taking into account historical credit loss experience. The expected credit allowance is based on the ageing of the receivables that are due & there is significant uncertainty regarding their recoverability.

**9. CASH AND CASH EQUIVALENTS**

| PARTICULARS                                | As at 31/03/2021<br>₹ | As at 31/03/2020<br>₹ |
|--|-----------------------|-----------------------|
| (a) Balance With Banks in Current Accounts | 20,57,288.43          | 79,07,477.71          |
| (b) Cheques in hand                        | ---                   | 37,250.00             |
| (c) Cash in Hand (including Imprest)       | 6,14,977.76           | 11,08,351.05          |
| (d) Other Bank Balances:                   |                       |                       |
| i. FDR's with Banks                        | 29,17,214.12          | ---                   |
| <b>TOTAL</b>                               | <b>55,89,480.31</b>   | <b>90,53,078.76</b>   |

**10. OTHER CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

|  |                     |                     |
|--|---------------------|---------------------|
| a) Advances to employees                     | 44,500.00           | 9,000.00            |
| b) Balance with Statutory/ Govt. Authorities | 13,84,626.00        | 41,06,618.00        |
| c) Prepaid Expenses                          | 33,170.00           | 35,031.00           |
| d) Construction Material in Hand             | ---                 | 93,803.00           |
| e) Other amount receivable                   | 1,41,625.90         | 1,14,205.64         |
| <b>TOTAL</b>                                 | <b>16,03,921.90</b> | <b>43,58,657.64</b> |

**11. CURRENT TAX ASSETS**

|                                 |                    |            |
|---------------------------------|--------------------|------------|
| Current Tax Liability           | 5,44,014.00        | ---        |
| Current Tax Assets              | 12,31,516.00       | ---        |
| <b>Current Tax Assets (Net)</b> | <b>6,87,502.00</b> | <b>---</b> |

**12. EQUITY SHARE CAPITAL**
**(a) AUTHORISED**

|  |                        |                        |
|--|------------------------|------------------------|
| i) 9900000 Equity Shares of Rs.10/- each (par value)                                     | 9,90,00,000.00         | 9,90,00,000.00         |
| ii) 10000, 11% Redeemable Non-cumulative preference shares of Rs. 100/- each (par value) | 10,00,000.00           | 10,00,000.00           |
| <b>TOTAL</b>   | <b>10,00,00,000.00</b> | <b>10,00,00,000.00</b> |

**(b) ISSUED & SUBSCRIBED**

|   |                       |                       |
|---|-----------------------|-----------------------|
| i) 8616800 Equity Shares of Rs.10/- each.                                   | 8,61,68,000.00        | 8,61,68,000.00        |
| ii) 2000, 11% Redeemable Non-cumulative preference shares of Rs. 100/- each | 2,00,000.00           | 2,00,000.00           |
| <b>TOTAL</b>  | <b>8,63,68,000.00</b> | <b>8,63,68,000.00</b> |

**(c) PAID UP CAPITAL**

|  |                       |                       |
|--|-----------------------|-----------------------|
| i) 6814350 Equity Shares of Rs.10/- each.              | 6,81,43,500.00        | 6,81,43,500.00        |
| ii) Add : Shares Forfeited (Amount originally paid up) | 18,00,000.00          | 18,00,000.00          |
| <b>TOTAL</b>   | <b>6,99,43,500.00</b> | <b>6,99,43,500.00</b> |

**(d) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :**

| PARTICULARS   | As at 31/03/2021 |                    | As at 31/03/2020 |                    |
|---|------------------|--------------------|------------------|--------------------|
|   | Number           | Amount             | Number           | Amount             |
| <b>Equity Shares</b>                                  |                  |                    |                  |                    |
| i) At the beginning of the reporting period           | 68,14,350        | 6,99,43,500        | 68,14,350        | 6,99,43,500        |
| ii) Add : Issued during the year                      | ---              | ---                | ---              | ---                |
| iii) Less : Buyback during the reporting period       | ---              | ---                | ---              | ---                |
| <b>Outstanding at the end of the reporting period</b> | <b>68,14,350</b> | <b>6,99,43,500</b> | <b>68,14,350</b> | <b>6,99,43,500</b> |

**Rights, preferences and restrictions attached to equity**

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

- (e) The company issued 2000 11% Non-cumulative Redeemable Preference Shares of Rs.100/- each fully paid up in the year 2011-12 & the same will be redeemed with in the period specified under section 55 of the Companies Act, 2013 from the date of allotment i.e. 31.10.2012 or earlier at the discretion of Board of Directors.

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

| PARTICULARS   | As at 31/03/2021 |                 | As at 31/03/2020 |                 |
|---|------------------|-----------------|------------------|-----------------|
|   | Number           | Amount          | Number           | Amount          |
| <b>Preference Shares</b>                              |                  |                 |                  |                 |
| i) At the beginning of the reporting period           | 2,000            | 2,00,000        | 2,000            | 2,00,000        |
| ii) Add : Issued during the year                      | ---              | ---             | ---              | ---             |
| iii) Less : Buyback during the reporting period       | ---              | ---             | ---              | ---             |
| <b>Outstanding at the end of the reporting period</b> | <b>2,000</b>     | <b>2,00,000</b> | <b>2,000</b>     | <b>2,00,000</b> |

- (f) **Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.**

There is no holding or ultimate holding company of the company.

- (g) **Detail of shareholders holding more than 5% of share capital in the company**

| Class of shares & Name of Shareholder | As at 31/03/2021 |                | As at 31/03/2020 |                |
|---------------------------------------|------------------|----------------|------------------|----------------|
|                                       | Number           | % Shareholding | Number           | % Shareholding |
| <b>a) Equity shares</b>               |                  |                |                  |                |
| Shreyans Industries Ltd.              | 12,80,000        | 18.78          | 12,80,000        | 18.78          |
| Ojasvi Investment & Mercantile Co.    | 4,29,920         | 6.31           | 4,29,920         | 6.31           |
| Levina Investment & Mercantile Co.    | 4,11,150         | 6.03           | 4,11,150         | 6.03           |
| Achin Investment & Mercantile Co.     | 3,87,710         | 5.69           | 3,87,710         | 5.69           |

- (h) under Indian GAAP, Non Cumulative preference shares were recorded at their transaction value. Under Ind AS, these preference shares are to be measured as compound financial instruments on the basis of effective interest rate method. Due to this, preference shares has been divided into debt portion and equity component as under:

|   | As at 31/03/2021 | As at 31/03/2020 |
|---|------------------|------------------|
| Equity Component- Note No. 13 Other Equity                            | 1,22,027.22      | 1,22,027.22      |
| Debt Component- Note No. 14 Other financial liabilities (Non Current) | 79,784.29        | 73,196.60        |

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
|                                     | As at 31/03/2021 | As at 31/03/2020 |
| Deferred Tax Liability Outstanding  | 31,256.08        | 32,968.88        |
| Deferred Tax reversed till date     | 11,063.12        | 9,350.32         |
| Interest on debt portion recognised | (44,130.72)      | (37,543.02)      |

**13. OTHER EQUITY**

| PARTICULARS  | Reserves & Surplus |                    |                       | Equity Instruments through other comprehensive income | Other items of other comprehensive income | TOTAL                |
|--|--------------------|--------------------|-----------------------|---|---|----------------------|
|  | Capital reserve    | Securities Premium | Retained Earnings     |   |   |                      |
| <b>Balance as at 01<sup>st</sup> April 2020</b>                  | 12000              | 69507250           | (127641226.74)        | 122027.22   | 175951.85                                 | (57823997.67)        |
| Changes in equity for the year ended 31 <sup>st</sup> March 2021 |                    |                    |                       |   |   |                      |
| Profit for the year  | ---                | ---                | 3155220.81            | ---   | ---                                       | 3155220.81           |
| Other Comprehensive Income for the year                          |                    |                    |                       |   | 166282.00                                 | 166282.00            |
| <b>Total Comprehensive Income for the year</b>                   |                    |                    | <u>3155220.81</u>     |   | <u>166282.00</u>                          | <u>3321502.81</u>    |
| <b>Balance as at 31<sup>st</sup> March 2021</b>                  | <u>12000</u>       | <u>69507250</u>    | <u>(124486005.93)</u> | <u>122027.22</u>                                      | <u>342233.85</u>                          | <u>(54502494.86)</u> |
| <b>Balance as at 01<sup>st</sup> April 2019</b>                  | 12000              | 69507250           | (126959296.13)        | 122027.22   | 83109.85                                  | (57234909.06)        |
| Changes in equity for the year ended 31 <sup>st</sup> March 2020 |                    |                    |                       |   |   |                      |
| Profit for the year  | ---                | ---                | (681930.61)           | ---   | ---                                       | (681930.61)          |
| Other Comprehensive Income for the year                          |                    |                    |                       |   | 92842.00                                  | 92842.00             |
| <b>Total Comprehensive Income for the year</b>                   |                    |                    | <u>(681930.61)</u>    |   | <u>92842.00</u>                           | <u>(589088.61)</u>   |
| <b>Balance as at 31<sup>st</sup> March 2020</b>                  | <u>12000</u>       | <u>69507250</u>    | <u>(127641226.74)</u> | <u>122027.22</u>                                      | <u>175951.85</u>                          | <u>(57823997.67)</u> |

**14. OTHER FINANCIAL LIABILITIES (NON CURRENT)**

| PARTICULARS                                    | As at 31/03/2021<br>₹ | As at 31/03/2020<br>₹ |
|--|-----------------------|-----------------------|
| <b>Financial Liabilities at Amortized cost</b> |                       |                       |
| (i) Preference Shares                          | 79,784.29             | 73,196.60             |
| <b>TOTAL</b>                                   | <u>79,784.29</u>      | <u>73,196.60</u>      |

**15. PROVISIONS (NON CURRENT)**

|                                 |                     |                     |
|---------------------------------|---------------------|---------------------|
| Provision for employee benefits |                     |                     |
| - Leave encashment              | 5,77,514.00         | 6,42,256.00         |
| - Gratuity                      | 10,46,613.00        | 10,10,450.00        |
| <b>TOTAL</b>                    | <u>16,24,127.00</u> | <u>16,52,706.00</u> |

## 16. TRADE PAYABLES

| PARTICULARS   | As at 31/03/2021<br>₹ | As at 31/03/2020<br>₹ |
|---|-----------------------|-----------------------|
| <b>Trade Payables</b>   |                       |                       |
| Total Outstanding to Micro, Small & Medium enterprises            | ---                   | ---                   |
| Total Outstanding to other than Micro, Small & Medium enterprises | <b>5,67,158.46</b>    | 5,56,193.58           |
| <b>TOTAL</b>  | <b>5,67,158.46</b>    | <b>5,56,193.58</b>    |

The Micro, Small and Medium Enterprises Development Act, 2006 has come into force with effect from October 2, 2006. As per the Act, the company is required to identify the Micro and Small Vendors/Service providers and pay interest to them on overdue beyond the specified period irrespective of the terms agreed upon. The company has not received any confirmation from its Vendors/Service Providers regarding their status of registration under the said Act, which has been relied upon by the auditors, hence prescribed disclosures under Section 22 of the said Act has been provided in note no. 32 to financial statements.

## 17. OTHER FINANCIAL LIABILITIES (CURRENT)

|   |                       |                       |
|---|-----------------------|-----------------------|
| (a) Current maturities of non-current debt      | <b>45,00,000.00</b>   | 60,00,000.00          |
| (b) Interest accrued & due on non-current debt. | <b>37,25,911.00</b>   | 37,25,911.00          |
| (c) Other Payables                              |                       |                       |
| i) Employee Benefits*                           | <b>9,24,101.98</b>    | 9,87,752.12           |
| ii) For Expenses                                | <b>16,10,370.00</b>   | 19,10,142.00          |
| <b>TOTAL</b>                                    | <b>1,07,60,382.98</b> | <b>1,26,23,805.12</b> |

\* includes dues towards ESI, Provident fund, Welfare Fund etc.

## 18. OTHER CURRENT LIABILITIES

|                              |                      |                     |
|------------------------------|----------------------|---------------------|
| i) Statutory Duties & Taxes* | <b>27,93,976.86</b>  | 27,11,202.23        |
| ii) Advance from Customer    | ---                  | 14,136.00           |
| iii) Securities Payables     | <b>2,3,43,112.00</b> | 20,00,000.00        |
| <b>TOTAL</b>                 | <b>51,37,088.86</b>  | <b>47,25,338.23</b> |

\* includes dues towards TDS, Sale tax, Entry tax & GST.

## 19. PROVISIONS (CURRENT)

| PARTICULARS                             | As at 31/03/2021<br>₹ | As at 31/03/2020<br>₹ |
|---|-----------------------|-----------------------|
| <b>Provision for Employee benefits.</b> |                       |                       |
| - Leave encashment                      | <b>63,226.00</b>      | 2,12,690.00           |
| - Gratuity                              | <b>86,435.00</b>      | 3,77,534.00           |
| <b>TOTAL</b>                            | <b>1,49,661.00</b>    | <b>5,90,224.00</b>    |

**20. REVENUE FROM OPERATIONS (DISCONTINUED OPERATIONS)**

| PARTICULARS                               | Current Year<br>₹ | Previous Year<br>₹  |
|---|-------------------|---------------------|
| (a) Sale of products                      | ---               | ---                 |
| (b) Sale of services                      |                   |                     |
| Job Charges Received (Yarn manufacturing) | ---               | 15,66,661.50        |
| <b>TOTAL</b>                              | <b>---</b>        | <b>15,66,661.50</b> |

**21. OTHER INCOME**

|   |                |                |
|---|----------------|----------------|
| Interest received on securities with PSPCL                          | 33,152.00      | 33,152.00      |
| Lease Rental income   | 1,57,74,894.00 | 1,33,79,842.00 |
| Sundry Balances written back  | 16,044.32      | 2,26,186.00    |
| Gain on fair valuation of investments through profit & loss (FVTPL) | 8,14,919.42    | 1,35,049.44    |
| Interest on Income Tax Refund                                       | 2,09,864.00    | ---            |
| Legal Consultancy Charges   | 12,000.00      | 12,000.00      |
| Interest income on FDR  | 36,828.00      | 85,129.00      |

**TOTAL** **1,68,97,701.74** **1,38,71,358.44**

**22. EMPLOYEES BENEFITS EXPENSE**

|  |              |              |
|--|--------------|--------------|
| Salaries, Wages & Other Allowances       | 52,04,202.00 | 58,56,578.00 |
| Contribution to provident and other fund | 7,24,118.00  | 7,93,884.00  |
| Staff & Labour Welfare                   | 29,371.22    | 31,487.90    |

**TOTAL** **59,57,691.22** **66,81,949.90**

**23. EMPLOYEES BENEFITS EXPENSE (DISCOUNTED OPERATIONS)**

|  |     |             |
|--|-----|-------------|
| Salaries, Wages & Other Allowances       | --- | 5,30,470.00 |
| Contribution to provident and other fund | --- | 74,502.00   |

**TOTAL** **---** **6,04,972.00**

**24. FINANCE COST**

|  |          |          |
|--|----------|----------|
| Bank Charges & Commission              | 9,470.80 | 6,263.46 |
| Notional Interest on Preference shares | 6,587.69 | 6,043.76 |

**TOTAL** **16,058.49** **12,307.22**

**25. OTHER EXPENSES**
**(a) MANUFACTURING EXPENSES**

|                |     |              |
|----------------|-----|--------------|
| Power and Fuel | --- | 19,38,944.00 |
|----------------|-----|--------------|

**Sub Total** **---** **19,38,944.00**

| PARTICULARS                                       | Current Year<br>₹   | Previous Year<br>₹  |
|---|---------------------|---------------------|
| <b>(b) ADMINISTRATIVE EXPENSES</b>                |                     |                     |
| Insurance   | 1,18,478.00         | 86,416.42           |
| Listing Fees                                      | 3,00,000.00         | 3,00,000.00         |
| Legal & Professional Expenses                     | 4,82,544.00         | 8,22,123.00         |
| Demat Charges                                     | 1,21,648.00         | 1,20,669.00         |
| E-Voting Charges                                  | 9,064.00            | 9,089.60            |
| Directors Sitting Fees                            | 37,500.00           | 36,000.00           |
| Canteen Expenses                                  | 76,272.00           | 1,29,134.00         |
| Fees & Taxes                                      | 2,20,039.00         | 2,12,070.00         |
| Traveling Expenses                                | 1,19,429.00         | 1,16,124.00         |
| <u>Auditors Remuneration</u>                      |                     |                     |
| - Audit Fee                                       | 30,000.00           | 30,000.00           |
| Vehicle Expenses                                  | 66,645.61           | 63,412.46           |
| Sundry Balances Written off                       | 37,545.20           | 694.75              |
| Advertisement                                     | 38,596.80           | 37,241.60           |
| Power and Fuel                                    | 19,89,777.00        | ---                 |
| Other Expenses                                    | 12,78,291.80        | 13,47,747.15        |
| <b>Sub Total</b>                                  | <b>49,25,830.41</b> | <b>33,10,721.98</b> |
| <b>(c) SELLING EXPENSES</b>                       |                     |                     |
| Commission  | 1,00,000.00         | 0.00                |
| Freight & Cartage Outward                         | 5,000.00            | 2,900.00            |
| <b>Sub Total</b>                                  | <b>1,05,000.00</b>  | <b>2,900.00</b>     |
| <b>TOTAL</b>                                      | <b>50,30,830.41</b> | <b>52,52,565.98</b> |
| <b>26. OTHER EXPENSES (DISCOUNTED OPERATIONS)</b> |                     |                     |
| <b>(a) MANUFACTURING EXPENSES</b>                 |                     |                     |
| Stores & Spares                                   | ---                 | 50,183.68           |
| Packing Expenses                                  | ---                 | 41,499.00           |
| Power and Fuel                                    | ---                 | 5,22,912.00         |
| Repairs to Machinery                              | ---                 | 46,207.04           |
|   | ---                 | <u>6,60,801.72</u>  |
| <b>(b) ADMINISTRATIVE EXPENSES</b>                |                     |                     |
| Insurance   | ---                 | 23,812.00           |
| Legal & Professional Expenses                     | ---                 | 1,02,667.00         |
| Other Expenses                                    | ---                 | 9,83,611.39         |
|   | ---                 | <u>11,10,090.39</u> |
| <b>(c) SELLING EXPENSES</b>                       |                     |                     |
| Commission  | ---                 | 54,562.00           |
| Freight & Cartage Outward                         | ---                 | 9,025.00            |
|   | ---                 | <u>63,587.00</u>    |
|   | ---                 | <u>18,34,479.11</u> |



**27 (a) Financial Instruments by Category**

The Carrying value &amp; fair value of financial instruments at the end of each reporting period is as follows :

| PARTICULARS   | At Cost  | At Amortised Cost  | At fair value through profit or loss |                    | At fair value through OCI                              |                 | Total carrying value | Total fair value   |
|---|----------|--------------------|--------------------------------------|--------------------|--|-----------------|----------------------|--------------------|
|   |          |                    | Designated upon initial recognition  | Mandatory          | Equity instruments designated upon initial recognition | Mandatory       |                      |                    |
| <b>As at 31st March 2021</b>                              |          |                    |                                      |                    |  |                 |                      |                    |
| <b>Assets:</b>  |          |                    |                                      |                    |  |                 |                      |                    |
| Investments (Non Current) (Refer note 4)                  |          |                    |                                      | 13810312.16        |  |                 | 13810312.16          | 13810312.16        |
| Trade receivables (Refer note 8)                          |          | 2771987.85         |                                      |                    |  |                 | 2771987.85           | 2771987.85         |
| Cash and Cash Equivalents (Refer note 9)                  |          | 5589480.31         |                                      |                    |  |                 | 5589480.31           | 5589480.31         |
| <b>Total</b>  | <b>-</b> | <b>8361468.16</b>  | <b>-</b>                             | <b>13810312.16</b> | <b>-</b>   | <b>-</b>        | <b>22171780.32</b>   | <b>22171780.32</b> |
| <b>Liabilities:</b>                                       |          |                    |                                      |                    |  |                 |                      |                    |
| Other financial liabilities (Non Current) (Refer note 14) |          |                    |                                      |                    |  | 79784.29        | 73784.29             | 79784.29           |
| Borrowings (Current)                                      |          | -                  |                                      |                    |  |                 | -                    | -                  |
| Trade Payables (Refer note 16)                            |          | 567158.46          |                                      |                    |  |                 | 567158.46            | 567158.46          |
| Other financial liabilities (Current) (Refer note 17)     |          | 10760382.98        |                                      |                    |  |                 | 10760382.98          | 10760382.98        |
| <b>Total</b>  | <b>-</b> | <b>11327541.44</b> | <b>-</b>                             | <b>-</b>           | <b>-</b>   | <b>79784.29</b> | <b>11407325.73</b>   | <b>11407325.73</b> |
| <b>As at 31st March 2020</b>                              |          |                    |                                      |                    |  |                 |                      |                    |
| <b>Assets:</b>  |          |                    |                                      |                    |  |                 |                      |                    |
| Investments (Non Current) (Refer note 4)                  |          |                    |                                      | 4995392.74         |  |                 | 4995392.74           | 4995392.74         |
| Trade receivables (Refer note 8)                          |          | 2779118.05         |                                      |                    |  |                 | 2779118.05           | 2779118.05         |
| Cash and Cash Equivalents (Refer note 9)                  |          | 9053078.76         |                                      |                    |  |                 | 9053078.76           | 9053078.76         |
| <b>Total</b>  | <b>-</b> | <b>11832196.81</b> | <b>-</b>                             | <b>4995392.74</b>  | <b>-</b>   | <b>-</b>        | <b>16827589.55</b>   | <b>16827589.55</b> |
| <b>Liabilities:</b>                                       |          |                    |                                      |                    |  |                 |                      |                    |
| Other financial liabilities (Non Current) (Refer note 14) |          |                    |                                      |                    |  | 73196.60        | 73196.60             | 73196.60           |
| Borrowings (Current)                                      |          | -                  |                                      |                    |  |                 | -                    | -                  |
| Trade Payables (Refer note 16)                            |          | 556193.58          |                                      |                    |  |                 | 556193.58            | 556193.58          |
| Other financial liabilities (Current) (Refer note 17)     |          | 12623805.12        |                                      |                    |  |                 | 12623805.12          | 12623805.12        |
| <b>Total</b>  | <b>-</b> | <b>13179998.70</b> | <b>-</b>                             | <b>-</b>           | <b>-</b>   | <b>73196.60</b> | <b>13253195.30</b>   | <b>13253195.30</b> |

**27 (b) Fair Value Measurement**
**(i) Fair Value hierarchy**
**Level 1-** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2-** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

**Level 3-** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets & liabilities measured at fair value :

As at 31st March 2021

| Particulars                      | Fair Value  | Fair Value measurement using |         |            |
|----------------------------------|-------------|------------------------------|---------|------------|
|                                  |             | Level 1                      | Level 2 | Level 3    |
| <b>Long Term Investments</b>     |             |                              |         |            |
| Fair Value through profit & loss | 13810312.16 | 8802467.00                   |         | 5007845.16 |

As at 31st March 2020

| Particulars                      | Fair Value | Fair Value measurement using |         |            |
|----------------------------------|------------|------------------------------|---------|------------|
|                                  |            | Level 1                      | Level 2 | Level 3    |
| <b>Long Term Investments</b>     |            |                              |         |            |
| Fair Value through profit & loss | 4995392.74 |                              |         | 4995392.74 |

Reconciliation of Level 1 Fair value measurements

| Particulars                               | Unlisted equity instruments |
|---|-----------------------------|
| As at April 1, 2020                       | ---                         |
| Purchases                                 | 8000000.00                  |
| (Gain)/loss recognised in OCI/Profit/Loss | 802467.00                   |
| As at March 31, 2021                      | 8802467.00                  |

Reconciliation of Level 3 Fair value measurements

| Particulars                               | Unlisted equity instruments |
|---|-----------------------------|
| As at April 1, 2020                       | 4995392.74                  |
| Purchases                                 | ---                         |
| (Gain)/loss recognised in OCI/Profit/Loss | 12452.42                    |
| As at March 31, 2021                      | 5007845.16                  |

## 28. Contingent Liabilities and Capital Commitments

The Company expect no outflow of cash related to contingent liabilities and capital commitments.

**29. Segment Reporting**-Business segments have been identified based on the nature and class of products and services, assessment of differential risks and returns. Accordingly, company is a single segment company operating in textile business and disclosure requirements as contained in Ind AS- 108 'Operating Segments' are not required in the financial statements.

### A. Information by Geographies

(a) Revenue from external customers

|               |     |            |
|---------------|-----|------------|
| India         | --- | 1566661.50 |
| Outside India | --- | ---        |

(b) The company has business operations only in india and does not hold any assets outside india

### B. Revenue from major customers

Information about Major Customer

|  |     |       |
|--|-----|-------|
| Number of customer contributing 10% or more to Company's revenue | --- | 1     |
| Revenue arising from sales to the company's largest customer     | --- | 52.20 |

**30.** In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

**31. Earnings Per Share:** The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning per Share" issued by the Institute of Chartered Accountants of India.

A statement on calculation of Basic & Diluted EPS is as under:

| <b>PARTICULARS</b>                  | <b>As at 31/03/2021</b> | <b>As at 31/03/2020</b> |
|-------------------------------------|-------------------------|-------------------------|
| issued equity shares                | <b>68,14,350</b>        | 68,14,350               |
| Number of Share at end              | <b>68,14,350</b>        | 68,14,350               |
| Weighted average shares outstanding | <b>68,14,350</b>        | 68,14,350               |

| <b>PARTICULARS</b>   | <b>As at 31/03/2021<br/>₹</b> | <b>As at 31/03/2020<br/>₹</b> |
|--|-------------------------------|-------------------------------|
| 1. Net Profit/Loss after tax as per Statement of Profit and Loss from Continuing Operations Attributable to the Equity Shareholders (A)                              | <b>31,55,220.81</b>           | 1,90,859.00                   |
| 2. Net Profit/Loss after tax as per Statement of Profit and Loss from Discontinuing operations Attributable to the Equity Shareholders (B)                           | ---                           | (8,72,789.61)                 |
| 3. Net Profit/Loss after tax as per Statement of Profit and Loss from Discontinuing operations and Continuing Operations Attributable to the Equity Shareholders (C) | <b>31,55,220.81</b>           | (6,81,930.61)                 |
| 4. Weighted average no. of Equity Shares outstanding during the year used for calculation of Basic Earning Per Share (D)   | <b>68,14,350.00</b>           | 68,14,350.00                  |
| 5. Nominal Value of Share ₹  | <b>10.00</b>                  | 10.00                         |
| 6. Earning Per Share (for Continuing operations)   |                               |                               |
| (a) Basic (A/D)  | <b>0.46</b>                   | 0.03                          |
| (b) Diluted (A/D)  | <b>0.46</b>                   | 0.03                          |
| 7. Earning Per Share (for Discontinuing operations)  |                               |                               |
| (a) Basic (B/D)  | ---                           | (0.13)                        |
| (b) Diluted (B/D)  | ---                           | (0.13)                        |
| 8. Earning Per Share (for Continuing operations & Discontinuing Operations)  |                               |                               |
| (a) Basic (C/D)  | <b>0.46</b>                   | (0.10)                        |
| (b) Diluted (C/D)  | <b>0.46</b>                   | (0.10)                        |

| PARTICULARS   | As at 31/03/2021<br>₹ | As at 31/03/2020<br>₹ |
|---|-----------------------|-----------------------|
| <b>32.</b> Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the chapter on delayed payments to Micro & small enterprises. |                       |                       |
| 1. Principal amount remaining unpaid to any supplier as at the end of accounting period   | ---                   | ---                   |
| 2. Interest due on remaining unpaid to any supplier as at the end of the accounting period  | ---                   | ---                   |
| 3. The amount of interest paid along with the amounts appointed day during accounting period  | ---                   | ---                   |
| 4. The amount of interest due and payable for the year  | ---                   | ---                   |
| 5. The amount of interest accrued and remaining unpaid at the end of accounting year  | ---                   | ---                   |
| 6. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid                                      | ---                   | ---                   |

Dues of Micro, Small and Medium enterprises have been determined on the basis of information collected by the management. This has been relied upon by the auditors.

**33.** The related party disclosure in accordance with Indian Accounting Standard (Ind AS)-24 "Related Party" issued by the Institute of Chartered Accountants of India is given below:

| NAME OF RELATED PARTY  | RELATIONSHIP  |
|--|---|
| Rajneesh Oswal (Chairman & Managing Director)<br>Vishal Oswal (Vice-Chairman & Managing Director)<br>Surinder Kumar Sekhri (Independent Director) (Till 11 November 2020)<br>Ramesh Chander Juneja (Independent Director)<br>Priya Begana (Independent Director)<br>Harbhajan Kaur Bal (Independent Director) (w.e.f. 11 November 2020)<br>Rajesh Kumar (CFO)<br>Parminder Singh (Company Secretary)   | Key Management Personnel  |
| Kunal Oswal*<br>Priti Oswal*<br>Shikha Oswal*<br>Nirmal Oswal*   | Relatives of Key Management Personnel   |
| Shreyans Industries Ltd.*<br>Achin Investment & Mercantile Co.*<br>Adeep Investment Co.*<br>Jagvallah Parasnath Capital Investments Pvt. Ltd.*<br>Levina Investment & Mercantile Co.*<br>Ojasvi Investment & Mercantile Co.*<br>Virat Investment & Mercantile Co.*<br>Shreyans Financial & Capital Services Ltd.<br>Limelite Consultants Pvt. Ltd.*<br>Noble Share Trading Pvt. Ltd.*<br>Sulzer Investments Pvt. Ltd.*<br>Oasis Share Trading Pvt. Ltd.*<br>Punctual Dealers Private Limited*<br>Fountain Tie-up Private Limited | Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence |

\*No transactions have taken place during the year.

**Related Parties Transactions:**

| PARTICULARS  | Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence |               | Key Management Personnel |               | Relatives of KMP |               |
|--|---|---------------|--------------------------|---------------|------------------|---------------|
|  | Current Year  | Previous Year | Current Year             | Previous Year | Current Year     | Previous Year |
| Contractual Remuneration   | ---   | ---           | 930864.00                | 909264.00     | ---              | ---           |
| Contractual Remuneration outstanding as on last day of Fin. Year | ---   | ---           | 71920.00                 | 71920.00      | ---              | ---           |
| Sitting Fees   | ---   | ---           | 37500.00                 | 36000.00      | ---              | ---           |
| Interest paid  | ---   | ---           | ---                      | ---           | ---              | ---           |
| Paid against services rendered                                   | ---   | 300000.00     | ---                      | ---           | ---              | ---           |
| Receipt against services rendered                                | 12000.00  | 12000.00      | ---                      | ---           | ---              | ---           |
| Loan Repaid  | 1500000.00  | ---           | ---                      | ---           | ---              | ---           |
| Loans - Opening Balance  | 6000000.00  | 6000000.00    | ---                      | ---           | ---              | ---           |
| Loans - Closing Balance  | 4500000.00  | 6000000.00    | ---                      | ---           | ---              | ---           |

**34. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits:**

Contribution to Defined Contribution Plans, recognized in the Statement of Profit and Loss for the year under employee benefits expense, are as under:

|                | For year ended 31/03/2021 | For year ended 31/03/2020 |
|----------------|---------------------------|---------------------------|
| Provident Fund | <b>401294</b>             | 402923                    |

The expenses incurred on account of the above defined contribution plans have been included in note no. 22 & 23 "Employee Benefits Expenses" under the head "Contribution to provident and Other Funds"

The Company has a defined benefit plan for gratuity and leave encashments. The present value of obligation is determined based on the actuarial valuation using the Project unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The Indian Accounting Standard (Ind AS-19) on "Employee Benefits" is being followed and the following table summarizes the components of net benefit/expenses recognised in the Statement of Profit and Loss and the amount recognised in the balance sheet for the gratuity and Leaves with wages plan.

**1. Key assumptions**

| PARTICULARS                   | AS ON 31.03.2021     | AS ON 31.03.2020     |
|-------------------------------|----------------------|----------------------|
|                               | Gratuity (Unfunded)  | Gratuity (Unfunded)  |
| Mortality Table               | IAL 2012-14 Ultimate | IAL 2012-14 Ultimate |
| Attrition Rate                | 05.00% p.a           | 05.00% p.a           |
| Imputed rate of interest (D)  | 6.73% p.a            | 6.74% p.a            |
| Imputed rate of interest (IC) | 6.74% p.a            | 7.65% p.a            |
| Salary rise                   | 7.00% p.a            | 8.00% p.a            |
| Return on plan assets         | N.A                  | N.A                  |
| Remaining Working Life        | 12.23 years          | 11.95 years          |

**2. Changes in the present value of obligation:-**

| PARTICULARS   | AS ON 31.03.2021    | AS ON 31.03.2020    |
|---|---------------------|---------------------|
|   | Gratuity (Unfunded) | Gratuity (Unfunded) |
| Present value of obligation at the beginning of the I.V.P.                    | 1387984.00          | 1536039.00          |
| Interest cost   | 81606.00            | 103782.00           |
| Past service cost   | ---                 | ---                 |
| Current service cost  | 149843.00           | 180680.00           |
| Benefits paid   | (354415.00)         | (358833.00)         |
| Experience Adjustment   | (54947.00)          | (143009.00)         |
| Diff.in Present Value of Obligations / Acturial ( Gain) / Loss on obligations | (77023.00)          | 69325.00            |
| Present Value of obligation at the end of the I.V.P.                          | 1133048.00          | 1387984.00          |

**3. Changes in the fair value of plan assets**

| PARTICULARS  | AS ON 31.03.2021    | AS ON 31.03.2020    |
|--|---------------------|---------------------|
|  | Gratuity (Unfunded) | Gratuity (Unfunded) |
| Fair value of plan assets at the beginning of the I.V.P. | -                   | -                   |
| Expected Return on plan assets                           | -                   | -                   |
| Net Contribution   | -                   | -                   |
| Withdrawals/ Benefits Paid                               | -                   | -                   |
| Remeasurement gain / (loss) Returns on plan assets       | -                   | -                   |
| Fair value of plan assets at the end of the I.V.P.       | -                   | -                   |

**4. Net Interest cost:-**

| PARTICULARS                                 | AS ON 31.03.2021    | AS ON 31.03.2020    |
|---|---------------------|---------------------|
|   | Gratuity (Unfunded) | Gratuity (Unfunded) |
| Interest Cost on Defined Benefit obligation | 81606.00            | 103782.00           |
| Expected Interest Income on plan assets     | ---                 | ---                 |
| Net Interest cost / (Income)                | 81606.00            | 103782.00           |

**5. Remeasurements - Other comprehensive Income ( OCI)**

| PARTICULARS   | AS ON 31.03.2021    | AS ON 31.03.2020    |
|---|---------------------|---------------------|
|   | Gratuity (Unfunded) | Gratuity (Unfunded) |
| Return on plan Assets (excluding amounts included in net interest expenses) | ---                 | ---                 |
| <u>Actuarial (Gain) / Loss arising from:</u>                                |                     |                     |
| Experience Adjustment   | (54947)             | (143009)            |
| Diff. in present value of obligations                                       | (77023)             | 69325               |
| Component of Defined of Benefit Costs recongnised in OCI                    | (131970)            | (73684)             |

**6. Expenses recognised in the statement of profit and loss**

| PARTICULARS   | AS ON 31.03.2021    | AS ON 31.03.2020    |
|---|---------------------|---------------------|
|   | Gratuity (Unfunded) | Gratuity (Unfunded) |
| Past service cost   | ---                 | ---                 |
| Current service cost  | 149843.00           | 180680.00           |
| Net Interest cost / (Income)  | 81606.00            | 103782.00           |
| Defined Benefit cost recognized in the statement of profit and loss | 231449.00           | 284462.00           |

**7. Amount to be recognised in the balance sheet:-**

| PARTICULARS   | AS ON 31.03.2021    | AS ON 31.03.2020    |
|---|---------------------|---------------------|
|   | Gratuity (Unfunded) | Gratuity (Unfunded) |
| Present Value of obligation at the end of the I.V.P.  | 1133048.00          | 1387984.00          |
| Fair value of plan assets at the end of the I.V.P.    | ---                 | ---                 |
| Funded status   | (1133048.00)        | (1387984.00)        |
| Net liability arising from Defined benefit obligation | 1133048.00          | 1387984.00          |

**8. Components of the net defined obligations**

| PARTICULARS   | AS ON 31.03.2021    | AS ON 31.03.2020    |
|---|---------------------|---------------------|
|   | Gratuity (Unfunded) | Gratuity (Unfunded) |
| Net Defined benefit obligation at the beginning of the I.V.P. | 1387984.00          | 1536039.00          |
| Past service cost   | ---                 | ---                 |
| Current service cost  | 149843.00           | 180680.00           |
| Net Interest cost / (Income)                                  | 81606.00            | 103782.00           |
| Remeasurement   | (131970.00)         | (73684.00)          |
| Net contribution from the employer                            | ---                 | ---                 |
| Difference in Benefit Paid and Withdrawl                      | 354415.00           | 358833.00           |
| Net Defined benefit obligation at the end of the IVP          | 1133048.00          | 1387984.00          |

**9. Category wise plan assets**

| PARTICULARS            | AS ON 31.03.2021    | AS ON 31.03.2020    |
|------------------------|---------------------|---------------------|
|                        | Gratuity (Unfunded) | Gratuity (Unfunded) |
| Fund at the end of IVP | ---                 | ---                 |

**10. Description of Risk Exposure:** Actuarial Valuation are based on assumptions which are dynamic in nature and vary over time. As such entity is exposed to various risks as follows

- A. Salary Increase-**Actual salary increases will increase the Plan's liability. Increases in salary increase rate assumption in future valuations will also increase the liability.
- B. Imputed Rate of Return (IROR)-** Reduction in IROR in subsequent valuation can increase the plan's liability
- C. Withdrawals-** Actual withdrawals proving higher or lower than that assumed and change of withdrawal rate at subsequent valuation can impact plan's liability.
- D. Mortality-** Actual deaths proving lower or higher than assumed in the valuation can impact the liabilities.

**11. The quantitative Sensitivity analysis on net liability recognised on account of change in significant assumptions**

| PARTICULARS  | As at 31/03/2021  | As at 31/03/2020 |
|--|-------------------|------------------|
| <b>Present value of obligation at the end of the period</b>  | <b>1133048.00</b> | 1387984.00       |
| <b>(a) Impact of change in Salary rate</b>                   |                   |                  |
| 1.Impact due to increase of 1%                               | <b>77851.00</b>   | 83565.00         |
| 2.Impact due to decrease of 1%                               | <b>(70870.00)</b> | (75615.00)       |
| <b>(b) Impact of change in Attrition rate</b>                |                   |                  |
| 1.Impact due to increase of 1%                               | <b>(1948.00)</b>  | (6389.00)        |
| 2.Impact due to decrease of 1%                               | <b>2109.00</b>    | 7146.00          |
| <b>(c) Impact of change in Imputed rate of return</b>        |                   |                  |
| 1.Impact due to increase of 1%                               | <b>(70412.00)</b> | (75790.00)       |
| 2.Impact due to decrease of 1%                               | <b>78833.00</b>   | 85447.00         |
| <b>12. Expected Payout as per Terminal Salary &amp; TLOS</b> |                   |                  |
| a) 1st following year  | <b>91207.00</b>   | 387973.00        |
| b) 2nd to 5th following year                                 | <b>726476.00</b>  | 688614.00        |
| c) 6th to 10th following year                                | <b>1100750.00</b> | 953652.00        |
| d) 11th following year onwards                               | <b>2912125.00</b> | 3663286.00       |
| <b>13. Expected payout as per Terminal Salary &amp; PLOS</b> |                   |                  |
| a) 1st following year  | <b>87984.00</b>   | 380765.00        |
| b) 2nd to 5th following year                                 | <b>509367.00</b>  | 488370.00        |
| c) 6th to 10th following year                                | <b>572016.00</b>  | 476645.00        |
| d) 11th following year onwards                               | <b>748111.00</b>  | 915842.00        |

**35. Disclosure pursuant to Ind AS - 116 on 'Leases'**

Operating leases: The Company has given factory building to different parties for which the period varies from 1 to 3 years under operating lease. The lease income received during the year is Rs .1,57,74,894 .Leases are renewed only on mutual consent and at a prevalent market price.

General discription of the Lease agreement:

- i) Lease agreement can be terminated by either party by giving advance notice either by lesse or lessor.
- ii) Lessee can not sublet the building further.
- iii) Lease rent is subject to yearly increase by 10%.



Annual undiscounted lease payments receivables are as under:

| PARTICULARS  | AMOUNT  |
|--------------|---------|
| up to 1 year | 3212703 |

| 36 | Auditor Remuneration | 2020-21  | 2019-20  |
|----|----------------------|----------|----------|
|    | Audit Fees           | 30000.00 | 30000.00 |
|    |                      | 30000.00 | 30000.00 |

**37. Disclosure pursuant to Indian Accounting Standard (Ind AS)-12:Income Taxes**
**a) Income Tax recognised in Profit or loss**

| PARTICULARS  | 2020-21           | 2019-20            |
|--|-------------------|--------------------|
| <b>Current Tax:</b>  |                   |                    |
| In respect of Current Tax  | 544014.00         | ---                |
| In respect of Earlier Years  | 885.00            | 14830.00           |
|  | <u>544899.00</u>  | <u>14830.00</u>    |
| <b>Deferred Tax:</b>   |                   |                    |
| In respect of Current Tax  | 618661.81         | (177425.66)        |
|  | <u>618661.81</u>  | <u>(177425.66)</u> |
| <b>Total income Tax expenses recognised</b>  | <u>1163560.81</u> | <u>(177425.66)</u> |
| <b>Income Tax recognised in other comprehensive income arising on income and expenses recognised in other comprehensive income</b> |                   |                    |
| Remeasurement of defined benefit obligation  | (34312.00)        | (19158.00)         |
|  | <u>(34312.00)</u> | <u>(19158.00)</u>  |

**(b) The detail of deferred tax liabilities & assets as at the end of each reporting period is as under:**

| PARTICULARS                              | As at<br>31st March<br>2019 | Movement<br>during<br>2019-20 | As at<br>31st March<br>2020 | Movement<br>during<br>2020-21 | As at<br>31st March<br>2021 |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| <b>Deferred Tax Liability</b>            |                             |                               |                             |                               |                             |
| Impact of Depreciation                   | 901481.91                   | (582643.08)                   | 318838.83                   | (259041.47)                   | 59797.36                    |
| Fair valuation Gain on investments       | 1219164.26                  | 35112.85                      | 1254277.11                  | 211879.05                     | 1466156.16                  |
| Impact of Compound Financial Instruments | 34194.28                    | (1225.40)                     | 32968.88                    | (1712.80)                     | 31256.08                    |
| <b>(A)</b>                               | <u>2154840.45</u>           | <u>(548755.62)</u>            | <u>1606084.83</u>           | <u>(48875.22)</u>             | <u>1557209.60</u>           |

| <b>PARTICULARS</b>   | <b>As at<br/>31st March<br/>2019</b> | <b>Movement<br/>during<br/>2019-20</b> | <b>As at<br/>31st March<br/>2020</b> | <b>Movement<br/>during<br/>2020-21</b> | <b>As at<br/>31st March<br/>2021</b> |
|--|--------------------------------------|--|--------------------------------------|--|--------------------------------------|
| <b>Deffered Tax Asset</b>                                  |                                      |  |                                      |  |                                      |
| 43B Disallowances  | 542205.30                            | 40956.50                               | 583161.80                            | (121976.92)                            | 461184.88                            |
| Carried forward business loss &<br>Unabsorbed Depreciation | 904376.57                            | (393128.46)                            | 511248.11                            | (511248.11)                            | ---                                  |
| Provision for Doubtful Debts                               | 795326.73                            | ---                                    | 795326.73                            | ---                                    | 795326.73                            |
| <b>(B)</b>   | <u>2241908.59</u>                    | <u>(352171.96)</u>                     | <u>1889736.64</u>                    | <u>(633225.03)</u>                     | <u>1256511.61</u>                    |
| <b>Deffered Tax Liability (Net) (A-B)</b>                  | <u>(87068.15)</u>                    | <u>(196583.66)</u>                     | <u>(283651.81)</u>                   | <u>584349.81</u>                       | <u>300697.99</u>                     |

**(c) Reconciliation of Deffered tax liabilities (net)**

| <b>PARTICULARS</b>  | <b>Current Year</b> | <b>Previous Year</b> |
|---|---------------------|----------------------|
| Deffered tax liability at the beginning of the year   | (283651.81)         | (87068.15)           |
| Deffered tax (income)/expenses during the year recognized<br>in Statement of Profit & Loss (see note below) | 618661.81           | (177425.66)          |
| Deffered tax (income)/expenses during the year recognized<br>in Other Comprehensive Income                  | (34312.00)          | (19158.00)           |
| Deffered tax (income)/expenses during the year recognized<br>directly in equity                             | ---                 | ---                  |
| Deffered tax liability at the end of the year (see note below)  | 300697.99           | (283651.81)          |

**(d) The income tax expense for the year can be reconciled to the accounting profit as follows:**

| <b>PARTICULARS</b>  | <b>As at 31.3.2021</b> |
|---|------------------------|
| Profit before Tax   | 4318781.61             |
| Tax at statutory income tax rate of 26.00%  | 1122883.22             |
| <b>Tax effect of the amounts not deductible for computing taxable income</b>                              |                        |
| Effect of Depreciation difference   | 259041.44              |
| Effect of Expenses that are not deductible in determining taxable<br>profit or allowable on payment basis | (87664.72)             |
| Impact on fair valuation of investment  | (35112.86)             |
| Provision for doubtful Debt   | ---                    |
| Brought Forward Loss/Depreciation   | (2077228.00)           |
| Others  | 1712.80                |
| <b>Income tax expense to be recognized in statement of Profit &amp; Loss</b>                              | <u>544014.00</u>       |

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

**(a) Post-Employment benefits**

**Defined Benefit Plans (Gratuity):** During the year the company has recognized an expense of Rs. 231449 (Previous Year Rs.284462 ) in the Statment of Profit and Loss. The outstanding liability recognized in Balance sheet as at year end is Rs.1133048

**Defined Contribution Plans (Provident Fund):** During the year the company has recognized an expense of Rs. 401294 (Previous Year Rs. 402923) as contribution to Employee Provident Fund in the Statment of Profit and Loss.

**(b) Long-term employee benefits (Leave Encashment):** During the year the company has provided an expense of Rs.(-) 48452 (Previous Year Rs.248114 ) in the Statment of Profit and Loss. The outstanding liability recognized in Balance sheet as at year end is Rs. 640740.

39. The balances of Trade Receivables, Loan and Advances, Deposits, Trade Advances and Trade Payables are subject to confirmation/reconciliation and subsequent adjustments, if any. The management has requested for the confirmation of balances & believes that no material adjustments would be required in books of account upon receipt of these confirmations.
40. In the opinion of the Board of Directors, the financial assets & other current assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.
41. Previous year amounts have been reclassified wherever necessary and conform to IndAS presentation.
42. The company has closed the textiles business & discontinued the textiles operations as at 31st March, 2020. As at 31st March, 2021 the carrying amount of such assets & liabilities of discontinuing operations which were not disposed off for previous year was Rs. 2771987.85 (previous year Rs. 2779118.05) & Rs. 567158.46 ( previous year Rs. 556193.58) respectively. The following statement shows the revenue & expenses of continuing & discontinuing operations.:

| PARTICULARS                           | Continuing Operations |                    | Discontinuing Operations |                    | Total              |                    |
|---------------------------------------|-----------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
|                                       | 2020-21               | 2019-20            | 2020-21                  | 2019-20            | 2020-21            | 2019-21            |
| <b>Revenue</b>                        |                       |                    |                          |                    |                    |                    |
| Revenue from operations               | ---                   | ---                | ---                      | 1566661.50         | ---                | 1566661.50         |
| Other income                          | 16897701.71           | 13871358.44        | ---                      | ---                | 16897701.74        | 13871358.44        |
| <b>Revenue</b>                        | <b>16897701.71</b>    | <b>13871358.44</b> | <b>---</b>               | <b>1566661.50</b>  | <b>16897701.74</b> | <b>15438019.94</b> |
| <b>Expenses</b>                       |                       |                    |                          |                    |                    |                    |
| Employee Benefit Expenses             | 5957691.22            | 6681949.90         | ---                      | 604972.00          | 5957691.22         | 7286921.90         |
| Finance costs                         | 16058.49              | 12307.22           | ---                      | 0.00               | 16058.49           | 12307.22           |
| Depreciation and amortization expense | 1574340.00            | 1896272.00         | ---                      | 78765.00           | 1653105.00         | 1975037.00         |
| Other operating expenses              | 5030830.41            | 5252565.98         | ---                      | 1755714.11         | 5030830.41         | 7008280.09         |
| <b>Total Expenses</b>                 | <b>12578920.12</b>    | <b>13843095.10</b> | <b>---</b>               | <b>2439451.11</b>  | <b>12657685.12</b> | <b>16282546.21</b> |
| <b>Profit/(Loss) before tax</b>       | <b>4318781.61</b>     | <b>28263.34</b>    | <b>---</b>               | <b>(872789.61)</b> | <b>4318781.61</b>  | <b>(844526.27)</b> |
| Tax Expenses                          | 1163560.81            | (162595.66)        | ---                      | ---                | 1163560.81         | (162595.66)        |
| Other Comprehensive Income            | ---                   | ---                | ---                      | ---                | 166282.00          | 92842.00           |
| <b>Profit/(Loss) for the year</b>     | <b>3155220.81</b>     | <b>190859.00</b>   | <b>---</b>               | <b>(872789.61)</b> | <b>3321502.81</b>  | <b>(589088.61)</b> |

**43. Financial Risk Management**

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables, cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company. There has been no change to the company's exposure to the financial risks or the manner in which it manages and measures the risk. The company has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The company does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

**Market Risk:** Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as investment/ equity risk. Financial instruments affected by market risk include loans & borrowings.

**(a) Foreign Currency Risk Management:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company doesn't operate internationally & didn't undertook any transactions denominated in foreign currencies during the reporting period & previous year. Hence, exposures to exchange rate fluctuations didn't arise.

**(b) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates does not arise due to non existence of any debt obligations with floating interest rates. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

**(c) Other Price Risk**

The company is exposed to equity price risk arising from equity investments. The company manages equity price risk by monitoring liquidity positions of such investments in short & long term periods. The company does not actively trade equity investments. Equity investments are mainly held for strategic rather than trading purposes.

**(c.1) 1 Equity price sensitivity analysis**

The sensitivity analysis below has been determined based on exposure to equity price risks at the end of reporting period.

if Fair Value per share had been 1% higher/Lower, the profit for the year would have increased/decreased by +/- 0.49 lakh (Previous Year: increased/decreased by 0.47 lakhs ) as a result of the changes in fair value of equity shares

**Liquidity risk management**

Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of liquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due. Currently the company is servicing all its obligations whether in case of borrowings or statutory dues payable to various authorities.

The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long term funding and liquidity management requirements.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

| PARTICULARS                        | As at March 31, 2021 |
|------------------------------------|----------------------|
| <b>Borrowings</b>                  |                      |
| 0-1 years                          | 4,500,000.00         |
| 2-3 years                          | ---                  |
| 4-5 years                          | ---                  |
| More than 5 years                  | ---                  |
| <b>Trade Payables</b>              |                      |
| 0-1 years                          | 567,158.46           |
| 2-3 years                          | ---                  |
| 3-5 years                          | ---                  |
| More than 5 years                  | ---                  |
| <b>Other Financial liabilities</b> |                      |
| 0-1 years                          | 6,260,382.98         |
| 2-3 years                          | --                   |
| 3-5 years                          | --                   |
| More than 5 years                  | 79,784.29            |

**44. Reconciliation of movement of liabilities to cash flow arising from financing activities**

| PARTICULARS  | As at 31st March 2021 | As at 31st March 2020 |
|--|-----------------------|-----------------------|
| Borrowings at the beginning of the Year<br>(current and non current) including current<br>maturities of long term debt | 6000000               | 6000000               |
| Proceeds from borrowings   | ---                   | ---                   |
| Repayment of borrowings  | 1500000               | ---                   |
| Transaction Cost related to Borrowings   | ---                   | ---                   |
| Borrowing at the end of the year (current and non current)   | <u>4500000</u>        | <u>6000000</u>        |

**45. Disclosure under Ind AS 115 "Revenue from Contracts with Customers"**
**a) Disaggregated revenue information**

| PARTICULARS   | As at 31/03/2021<br>₹ | As at 31/03/2020<br>₹ |
|---|-----------------------|-----------------------|
| <b>(i) Type of Goods</b>                                |                       |                       |
| Revenue from Sale of Goods                              | ---                   | ---                   |
| Revenue from Job Work                                   | ---                   | 1566661.50            |
|   | <u>---</u>            | <u>1566661.50</u>     |
| <b>(ii) Total revenue from Contracts with Customers</b> |                       |                       |
| Revenue from Customers based in India                   | ---                   | 1566661.50            |
| Revenue from Customers based outside India              | ---                   | ---                   |
| <b>(iii) Timing of Revenue Recognition</b>              |                       |                       |
| Goods transferred at a point in time                    | ---                   | 1566661.50            |
| <b>b) Trade receivables and Contract Customers</b>      |                       |                       |
| Trade Receivables                                       | 2771987.85            | 2779118.05            |

**C) Contract Liabilities**

Contract liability relate to payment received in advance for performance under contract. Contract liabilities are recognized as revenue at the time of sale of goods. Contract liabilities includes Non current or current advances received from customers to deliver goods.

**Revenue recognized in the current reporting period to carried forward contract liabilities:**

Revenue recognized that was included in the contract liabilities balance at the beginning of the period

JobWork ₹ 0

**(d) Reconciling the amount of revenue recognized in the statement of Profit and Loss with the contract price**

|  |     |            |
|--|-----|------------|
| <b>Revenue as per Contract Price</b>                   | --- | 1566661.50 |
| <b>Less Adjustments</b>                                |     |            |
| Returns  | --- | ---        |
| Freight Recovered                                      | --- | ---        |
| Revenue recognized in the statement of Profit and Loss | --- | 1566661.50 |

Revenue recognized that was included in the contract liabilities balance at the beginning of the period

**e) Performance obligation and remaining performance obligation**

The performance obligation is satisfied upon the delivery of Goods and payment is generally due within 7 days to 60 days after delivery. The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on 31st March, 2021, there were no remaining performance obligation as the same is satisfied upon delivery of goods / services.

**Credit Risk Management****Credit Risk**

Credit risk refers to the risk that the counter party will default on its contractual obligations resulting in financial loss to the company. Credit risk arises from financial assets such as cash and cash equivalents, loans, trade receivables, derivative financial instruments and financial guarantees. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. We monitor our exposure to credit risk on an ongoing basis at various levels. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. Credit risk on cash and bank balances is negligible as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in equity instruments for long term period. The Company's credit risk in case of all other financial instruments is negligible.

**Trade receivables:**

The Company has exposure to credit risk majorly from trade receivable balances on sale of yarn and Trading of unstitched Suitings, Shirts & Dress Materials which are typically unsecured. The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its trade receivable credit risk exposure is limited. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. The Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The management of the company regularly evaluates the individual customer receivables. This evaluation takes into consideration customer's financial condition and credit history, as well as current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. The company regularly tracks the outstanding trade receivables and proper action is taken by the company for collection of overdue trade receivables.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has considered an allowance for doubtful debts on the basis of lifetime expected credit loss model as per provision matrix in case of trade receivables that are past due but there has not been a

significant change in the credit quality and the amounts are still considered recoverable & no writing off from books is required.

**Reconciliation of allowance for lifetime expected credit loss.**

| <b>PARTICULARS</b>   | <b>As at 31st March 2021</b> | <b>As at 31st March 2020</b> |
|--|------------------------------|------------------------------|
| Balance as at Beginning of the year                                    | <b>8558948.96</b>            | 8558948.96                   |
| Allowance for doubtful receivables based on Expected Credit Loss (ECL) | ---                          | ---                          |
| Release to the statement of profit and loss                            | ---                          | ---                          |
| Balance at end of the year   | <b>8558948.96</b>            | 8558948.96                   |
| <b>Ageing of trade receivables (Gross)</b>                             | <b>As at 31st March 2021</b> | <b>As at 31st March 2020</b> |
| Not Due  | ---                          | ---                          |
| 0-6 Months past due  | <b>2697958</b>               | 2727147.00                   |
| More than 6 months past due  | <b>8632979</b>               | 8610920.00                   |
| total trade receivables  | <b>11330937</b>              | 11338067.00                  |

**Capital risk management**

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital plus net debt. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings.

| <b>PARTICULARS</b>            | <b>As at 31st March, 2021</b> |
|-------------------------------|-------------------------------|
| Borrowings                    | 4500000.00                    |
| Less: Cash & cash equivalents | 5589480.31                    |
| Net debt                      | (1089480.31)                  |
| Total equity                  | 15441005.14                   |
| Capital & Net debt            | 14351524.83                   |
| Gearing ratio                 | (0.08)                        |

Since there are no interest bearing loans & borrowings from banks, therefore, there are no breaches in the financial covenants of interest-bearing loans and borrowings in the current year ended 31st March 2021

No Changes were made in the objectives, policies or processes during the years ended 31st March 2021 and 31st March 2020.

**For Malhotra Manik & Associates**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**(Amarjit Kamboj)**  
Partner

**(Rajneesh Oswal)**  
Chairman and  
Managing Director  
DIN 00002668

**(Vishal Oswal)**  
Vice-Chairman and  
Managing Director  
DIN 00002678

**(Parminder Singh) (Rajesh Kumar)**  
Company Secretary CFO

**PLACE : LUDHIANA**  
**DATED : 25.06.2021**

**ADINATH TEXTILES LIMITED**

Regd. Office: Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123  
 Tel. No. 0161-2685270, 9876100948, CIN- L17115PB1979PLC003910  
 Website : [www.adinathtextiles.com](http://www.adinathtextiles.com), Email : [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)

**Form No. MGT-11**

**Proxy form**

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

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

I/We, being the member(s) of ..... Shares of Adinath Textiles Limited, hereby appoint:

1. Name : .....
2. Address : .....
3. E-mail Id : .....
4. Signature : ....., or failing him/her
1. Name : .....
2. Address : .....
3. E-mail Id : .....
4. Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41<sup>st</sup> Annual general meeting of the company, to be held on Thursday, the 30th day of September, 2021 At 11:00 A.M. at the registered office of the company at Village: Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution(s):**

- 1.....
- 2.....

Signed this..... day of ..... 2021

Signature of shareholder

Signature of Proxy holder(s)

|                                |
|--------------------------------|
| Affix<br>Revenue<br>Stamp here |
|--------------------------------|

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**ADINATH TEXTILES LIMITED  
ATTENDANCE SLIP**

I here by record my presence at the 41<sup>st</sup> ANNUAL GENERAL MEETING of the Company being held on Thursday, the 30<sup>th</sup> day of September, 2021 at 11:00A.M. at the Registered Office of the Company Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana - 141 123

.....  
 Full Name of the Shareholder  
 (IN BLOCK LETTERS)

Signature

Folio No .....

Client ID. ....

Full Name of Proxy .....  
 (IN BLOCK LETTERS)

D. P. ID. ....

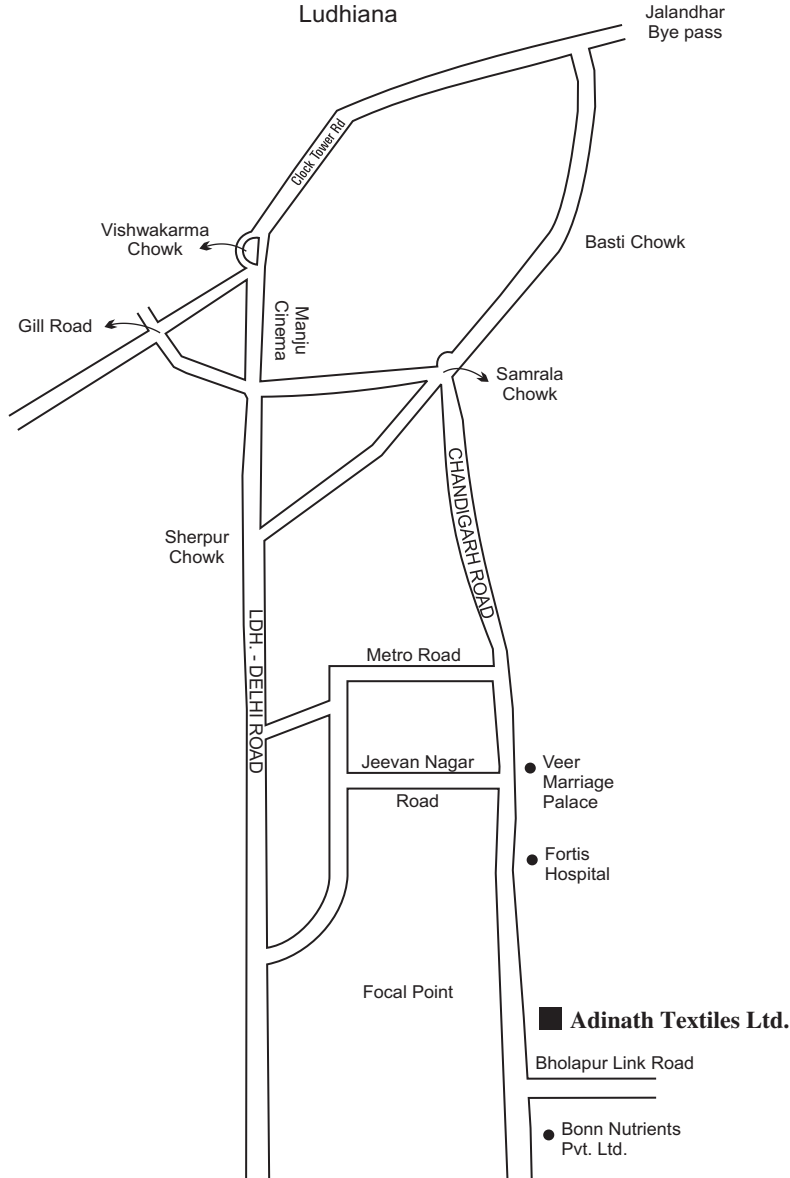
- NOTE :**
1. The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
  2. A proxy need not be a member.







Route map to the venue of the AGM  
Venue : **Adinath Textiles Limited**  
Village Bholapur, P.O. Sahabana, Chandigarh Road,  
Ludhiana



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