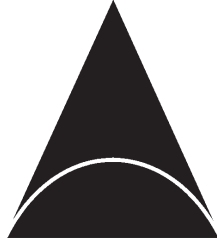


**ASHNOOR**

**Annual Report**

**2018-2019**

**Ashnoor Textile Mills Limited**



## **ASHNOOR**

### **Board of Directors**

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

### **Registered Office and Factory**

Behrampur Road  
Village Khandsa  
District Gurgaon  
Haryana - 122 001

### **Auditors**

Messrs Agarwal & Gupta  
Chartered Accountants  
Delhi - 110 092

### **Bankers**

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

### **Registrar**

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



<b>Contents</b>	<b>Page Number</b>
Notice	1
Directors' Report	11
Corporate Governance Report	34
Management Discussion and Analysis Report	48
Auditors' Report	55
Balance Sheet	61
Profit and Loss Account	62
Cash Flow Statement	63
Notes to Financial Statement	64

# ASHNOOR TEXTILE MILLS LIMITED

## NOTICE

NOTICE is hereby given that the 36<sup>th</sup> Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Friday, September 27, 2019, at 9:30 a. m. at the Registered Office of the Company at Behrampur Road, Village Khandsa, District Gurugram, Haryana-122001, to transact the following business;

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, the Report of the Directors' and the Auditors' thereon.
2. To appoint Mr. Abhinav Gupta (DIN-02766867), who retires by rotation and, being eligible, offers himself for re-appointment as a Director.

### SPECIAL BUSINESS:

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197, 203 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, at the recommendation of the Nomination and Remuneration Committee, Mr. Suneel Gupta (DIN: 00052084) be and is hereby re-appointed as Managing Director for a period of three years effective from January 10, 2019 at the remuneration, allowances/ perquisites and other terms and conditions as detailed below and will not liable to retire by rotation:

**Basic Salary:** Rs.400,000/- per month

**Perquisites:-** In addition to the above salary the Managing Director shall be entitled to following perquisites –

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) Encashment of leave at the end of tenure.

In addition to above the Managing Director shall also be entitled to use of Company's car with driver, use of Company's telephone at his residence and also the use of Company's mobile. However, personal long distance calls on telephone/mobile and use of car for private purpose shall be billed by the Company to him.

No sitting fee shall be payable to the Managing Director for attending any meeting of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company shall pay to Managing Director the remuneration as mentioned above as minimum remuneration as per provisions of Schedule V to the Companies Act, 2013.

## ASHNOOR TEXTILE MILLS LIMITED

RESOLVED FURTHER THAT that the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution.”

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, at the recommendation of the Nomination and Remuneration Committee, Dr. (Mrs.) Sangeeta Gupta (DIN: 00052121) be and is hereby re-appointed as Whole Time Director for a period of three years effective from May 1, 2020 at the remuneration, allowances/ perquisites and other terms and conditions as detailed below and will liable to retire by rotation:

**Basic Salary** : Rs. 250,000/- per month

**Perquisites** : In addition to the above salary the Whole Time Director shall be entitled to following perquisites –

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service; and
- c) Encashment of leave at the end of tenure.

In addition to above the Whole Time Director shall also be entitled to use of Company’s car with driver, use of Company’s telephone at her residence and also the use of Company’s mobile. However, personal long distance calls on telephone/mobile and use of car for private purpose shall be billed by the Company to the Whole Time Director.

No sitting fee shall be payable to the Whole Time Director for attending any meeting of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT in any financial year during the currency of her tenure, the Company has no profits or its profits are inadequate, the Company shall pay to Whole Time Director the remuneration as mentioned above as minimum remuneration as per provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT that the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment

## **ASHNOOR TEXTILE MILLS LIMITED**

and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Mr. Piyush Gupta (DIN: 00125678), who was appointed as an Independent Director and holds office of Independent Director upto September 29, 2019, being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, i. e. from September 30, 2019 to September 29, 2024 and whose office shall not be liable to retire by rotation.”

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

“RESOLVED that pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), (including any statutory modification(s) or re-enactment thereof for the time being in force), a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of section 198 of the Act, be paid to and distributed amongst the non executive Directors (including Independent Directors) of the Company or some or any of them (other than the Managing Director and Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years effective from April 1, 2019.

RESOLVED FURTHER that the above commission shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.”

**Place: Gurugram**  
**Date: August 13, 2019**  
**Registered Office:**  
**Village Khandsa, Behrampur Road**  
**Gurgaon, Haryana-122001**  
**CIN-L17226HR1984PLC033384**  
**E-mail: atml\_delhi@yahoo.com**  
**Phone: 0124 4940550**  
Web: ashnoortex.com

**By the order of the Board**

**Sd-**  
**Suneel Gupta**  
**Managing Director**  
DIN-00052084

**Place: Gurugram**  
**Date: August 13, 2019**

## ASHNOOR TEXTILE MILLS LIMITED

### NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AT THE MEETING AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

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

3. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, September 21, 2019 to Friday, September 27, 2019 (both days inclusive)**.
4. Members holding shares in electronic/demat form are requested to notify change in their address, if any, to their Depository Participant. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for change of their addresses. However, members holding shares in physical form and are desirous of changing in address, if any, may write to the Company at its registered office or to the Registrar and Share Transfer Agent - Link Intime India Private Limited (RTA), Noble Heights, 1<sup>st</sup> Floor, NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi-110058.
5. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant of security market. Member holding shares in physical form may forward their PAN details to the Company or its RTA while the members holding shares in electronic form may submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts..
6. Electronic Annual Report for 36<sup>th</sup> Annual General Meeting of the Company inter-alia specifying the process and manner of electronic voting along with attendance slips, proxy form and route map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the 36<sup>th</sup> Annual Report along with attendance slips, proxy form and route map is being sent in the permitted mode.
7. Members holding shares in electronic form are requested to convert their shares in electronic mode and also register their email address with RTA of the Company. This will enable the Company to send Annual Report, Accounts, notices and other documents through electronics mode to their e-mail addresses.
8. Members are requested to kindly bring their copies of Annual Report along with duly filled admission slips for attending the meeting.
9. In case of joint holds attending the meeting, only such joint holder who is higher in the order of name will

## ASHNOOR TEXTILE MILLS LIMITED

be entitled to vote.

10. Non-resident Indian shareholders are requested to inform the Registrar and Share transfer Agent immediately the change in the residential status on return to India for permanent settlement.
11. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representatives to attend and vote on its behalf at the meeting.
12. In terms of provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, the Company is providing members facility to exercise their right to vote on resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and business may be transacted through e-voting platforms provided by Link Intime India Private Limited.
13. The facility for voting through Ballot Paper shall also be made available at the meeting and members attending meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at meeting through Ballot Papers.
14. The member who will cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. The process and manner for voting electronically are as under:
  - i. The voting period begins on Tuesday, September 24, 2019 at 9:30 a. m. and ends on Thursday, September 26, 2019 at 5.00 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 Friday, September 20, 2019 may cast their vote electronically. The e-voting module shall be disabled 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. The shareholders should visit the e-voting system of Link Intime India Private Limited (LI IPL). Open web browser by typing the following URL: <https://instavote.linkintime.co.in>
  - iv. Click on "Login" tab, available under 'Shareholders' section
  - v. Now enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
  - vi. Your User ID details are given below"
    - a. **Shareholders holding shares in demat account with CDSL:** Your USER ID is 16 digits beneficiary ID,
    - b. **Shareholders holding shares in demat account with NSDL:** Your USER ID is 8 Character DP ID followed by 8 Digits Client ID,
    - c. **Shareholders holding shares in Physical Form:** Your USER ID is Event Number + Folio Number registered with the Company
  - vii. Your Password details are given below:

If you are using e-voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if



## **ASHNOOR TEXTILE MILLS LIMITED**

you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter

<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
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>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed at sticker on envelope indicated in the PAN Field.</li></ul>
DOB/ DOI	Enter the DOB (Date of Birth)/DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm yyyy format.
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"><li>Please enter the DOB/ DOI or Bank Account Number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account Number field as mentioned in instruction (iv-c).</li></ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

After entering these details appropriately, click on “SUBMIT” tab.

### **If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- viii. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.

## ASHNOOR TEXTILE MILLS LIMITED

- ix. On the voting page, you will see “Resolution Description” and against the same the option “Favour/Against” for voting.  
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
  - x. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
  - xi. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
  - xii. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
  - xiii. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.
  - xiv. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’.  
They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.
  - xv. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
  - xvi. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
  - xvii. In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
16. Pursuant to provisions of the Companies Act, 2013, Mr. Abhinav Gupta, Whole Time Director, will retire by rotation at Annual General Meeting and, being eligible, has offered himself for re-appointment. Mr. Abhinav Gupta, aged 28 years, Commerce Graduate from Boston University, USA is Director of the Company since 2009 and at present holding position of Whole Time Director and having rich experience in Textile Industry. He will continue to draw remuneration as he was drawing on March 31, 2019. He is son of Mr. Suneel Gupta, Managing Director and Mrs. (Dr.) Sangeeta Gupta, Whole Time Director and brother of Ms. Noor Gupta-Director. None of the Directors, Key Managerial Personnel and their relatives except Mr. Abhinav Gupta, Whole Time Director, holding 12.29% paid up equity capital, Mr. Suneel Gupta, Managing Director, holding 34.11% paid up equity capital, Mrs. Sangeeta Gupta, Whole Time Director, holding 23.90% paid up equity capital and Ms. Noor Gupta, Director (holding 1.96% paid up capital) are interested in the resolution. He is neither debarred from holding office of Whole time Director pursuant to any order of SEBI nor disqualified under any provision of the Companies Act, 2013. His attendance in Board meetings is given in Corporate Governance Report.
17. All the documents referred in Accompanying Notice and Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (10:00 a. m. to 5:00 p. m.) on all working days, upto and including the date of the Annual General meeting of the Company.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **Explanatory Statement**

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

### **Item Number-3**

Present term of Mr. Suneel Gupta, Managing Director, will complete on January 9, 2020. The Board of Directors of the Company after considering recommendation of Nomination and Remuneration Committee, role and contribution of Mr. Suneel Gupta in growth of the Company, his experience, salary paid to CEOs/MDs in other organizations of similar standing has re-appointed him for a period of 3 years effective from January 20, 2020, subject to approval of the members in general meeting and such approval(s), if any, as may be required. The remuneration, as given in resolution, payable to him is in conformity with the provisions and requirements of section 196, 197 read with Schedule V of the Companies Act, 2013. Accordingly, no approval of the Central Government is required. The effective capital of the Company is more than Rs.15.00 Crore. The Company has not made any default in repayment of any debt or interest payable thereon for a continuous period of thirty days in the preceding financial year.

Mr. Suneel Gupta, aged 58 years, MBA, is on the Board of the Company since January 21, 1984. He is having vast experience in Textile Industry and his job profile as Managing Director of the Company is entrusted with substantial powers of management of the affairs of the Company and includes administrative acts of a routine nature with the authorization of the Board of Directors of the Company. He is neither debarred from holding office of Managing Director pursuant to any order of SEBI nor disqualified under any provision of the Companies Act, 2013. He is not director and member of any Committee of the Board of Directors in any other listed entity.

Mr. Suneel Gupta himself (holding 34.11% paid up equity capital), his wife Mrs. (Dr.) Sangeeta Gupta, Whole Time Director (holding 23.90% paid up equity capital), son Mr. Abhinav Gupta, Whole Time Director (holding 12.29% paid up equity capital) and daughter Ms. Noor Gupta, Director (holding 1.96% paid up equity capital) are concerned or interested in the resolution. He is not related to any independent director. None of the Directors, Key Managerial Personnel and their relatives except as mentioned above in this para are interested in the resolution. His attendance in board/committee meetings are given in Corporate Governance Report.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The Board recommends the special resolution set forth in item number 5 for the approval of the members.

### **Resolution Number-4**

Present term of Mrs. (Dr.) Sangeeta Gupta, Whole Time Director, will complete on April 30, 2020. The Board of Directors of the Company after considering recommendation of Nomination and Remuneration Committee, contribution of Mrs. (Dr.) Sangeeta Gupta in growth of the Company, her experience, salary paid to WTDs in other organizations of similar standing has re-appointed her for a period of 3 years effective from May 1, 2020, subject to approval of the members in general meeting and such approval(s), if any, as may be required. The remuneration is in conformity with the provisions and requirements of section 196, 197 read with Schedule V of the Companies Act, 2013. Accordingly, no approval of the Central Government is required. The effective capital of the Company is more than Rs.15.00 Crores. The Company has not made any default in repayment of any debt or interest payable thereon for a continuous period of thirty days in the preceding financial year.

Mrs. (Dr.) Sangeeta Gupta, aged 58 years, MBBS, is on the Board of the Company since March 9, 1994. She has vast experience in Textile Industry. Her job profile as Whole Time Director of the Company comprises of managing all activities under the supervision, control and guidance of the Board of Directors of the Company. She is neither debarred from holding office of Managing Director pursuant to any order of SEBI nor disqualified

## **ASHNOOR TEXTILE MILLS LIMITED**

under any provision of the Companies Act, 2013. She is not director and member of any Committee of the Board of Directors in any other listed entity. Her attendance in board meetings is given in Corporate Governance Report.

Mrs. (Dr.) Sangeeta Gupta herself (holding 23.90% paid up equity capital), her husband Mr. Suneel Gupta, Managing Director (holding 34.11% paid up equity capital), son Mr. Abhinav Gupta, Whole Time Director (holding 12.29% paid up equity capital) and daughter Ms. Noor Gupta, Director (holding 1.96% paid up equity capital) are concerned or interested in the resolution. She is not related to any independent director.

None of the Directors, Key Managerial Personnel and their relatives except as mentioned above in about para are interested in the resolution.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The Board recommends the special resolution set forth in item number 4 for the approval of the members.

### **Item Number-5**

First Term of Mr. Piyush Gupta (DIN: 00125678), Independent Director, will expire on September 29, 2019. He was appointed as an Independent Director effective from September 30, 2014 for a period of five year as per provisions of section 149 read with schedule IV of the Companies Act, 2013. Nomination and Remuneration Committee of the Board of Directors on the basis of the report of performance evaluation has recommended his re-appointment as an Independent Director for second term of 5 (Five) consequent years commencing from September 30, 2019 and ending on September 29, 2024. The Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director. The Company has already received:

- a) his consent to act as Director in form DIR-2 as per Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014;
- b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and
- c) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Mr. Piyush Gupta, aged, 53 years, is a Practicing Chartered Accountants and has more than 30 years of experience in accounting, project financing, company law, auditing, taxation and related field. Before setting of profession of Practicing Chartered Accountant, he has worked in various corporate houses at senior level. He does not hold directorship or membership of any Committee of the Board of Directors in any public or listed entity. He is not disqualified under any provision of the Companies Act, 2013. His attendance in board/committee meetings are given in Corporate Governance Report.

The special resolution seeks the approval of the members for the appointment of Mr. Piyush Gupta as an Independent Director of the Company for a period of 5 consecutive years effective from September 29, 2019 as per provisions of section 149 read with schedule IV and other applicable provisions of the Act and rules made thereunder. He will not liable to retire by rotation.

The Board is of the opinion that Mr. Piyush Gupta fulfills the conditions specified in the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **ASHNOOR TEXTILE MILLS LIMITED**

None of the other Directors, Key Managerial Personnel or their relatives is in any way, concerned or interested, financially or otherwise except Mr. Piyush Gupta.

The Board recommends special resolution set out at number 5 of the Notice for your approval.

### **Item Number-6**

Pursuant to provisions of the Sections 149, 197, any other relevant provisions of the Act and Listing Regulations and taking into account the roles and responsibilities of the non-executive directors, it is proposed that the non-executive directors, including Independent Directors, other than Managing Director and the Whole-time Directors be paid for a period of five years commencing from 1st April 2019, remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Act. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board of Directors and subject to any other applicable requirements under the Act.

This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings. Accordingly, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Act, for payment of remuneration by way of commission to the Directors of the Company other than the Managing Director and the Whole-time Directors, for a period of five years commencing from 1st April, 2019 as set out in the Resolution Number 6 of the Notice of the AGM. The Managing Director, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financially or otherwise, in the resolution. All the Non-executive Directors, including Independent Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the remuneration that may be received by them.

The Board recommends the special resolution set forth in item number 6 for the approval of the members.

**Place: Gurugram**

**Date: August 13, 2019**

**Registered Office:**

**Village Khandsa, Behrampur Road**

**Gurgaon, Haryana-122001**

**CIN-L17226HR1984PLC033384**

**E-mail: atml\_delhi@yahoo.com**

**Phone: 0124 4940550**

**Web: ashnoortex.com**

**By the order of the Board**

**Sd-  
Suneel Gupta  
Managing Director  
DIN-00052084**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present their 36<sup>th</sup> Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on March 31, 2019.

## **FINANCIAL PERFORMANCE AND OUTLOOK**

(Rupees in Lakh)

<b>PARTICULARS</b>	<b>2018-2019</b>	<b>2017-2018</b>
Income (including other income)	12,869.41	8,886.22
Gross Profit prior to financial overheads and depreciation	1,350.45	715.22
Financial Overheads	624.07	161.37
Depreciation	233.59	222.79
Profit before Tax Exceptional and Extra-Ordinary Items	492.79	331.06
Exceptional and Extra-Ordinary Items	(-)2.51	37.29
Profit before Tax	490.28	368.34
Income/Deferred Tax	75.99	150.39
Profit after Tax-available for appropriation	414.29	217.95
Basic Earnings Per Share	3.32	2.03

During the year under review, revenue from operations jumped by 45.34% from Rs. 8832.83 lakh in previous year to Rs.12,837.89 lakh in current year and profits after tax also jumped from 217.95 lakh in the previous year to 414.29 lakh in the current year. The detailed discussion on the state of Company's affairs and the performance of operations of the Company is given in the annual report under "Management Discussion and Analysis Report". There was not any change in the nature of business of the company.

## **TRANSFER TO RESERVE**

The Board of Directors of the company has decided not to transfer any amount to reserves and entire profit after tax has carried over to the Balance Sheet as surplus.

## **DIVIDEND**

The Board of Directors does not recommend any dividend for the year under review.

## **FIXED DEPOSITS**

During the year under review, your Company has neither invited nor accepted/renewed any fixed deposit. There were no fixed deposits outstanding or unclaimed as on March 31, 2019.

## **CHANGE IN NATURE OF BUSINESS**

During the financial year 2018-2019, there is no change in the nature of business of the Company. Further, there has been no material changes/events or commitments occurred after the end of financial year and till the date of this report balance sheet till date of this report.

## **SHARE CAPITAL**

During the year under review, Authorized Share Capital of the Company increased from Rs.107,500,000/- to Rs.127,500,000/-. Further, during the year the Company had allotted 10 Lakh equity shares of Rs.10/- each at a price of Rs.22/- per share on preferential basis to the Promoters Group. The Company had also allotted 10 Lakh convertible warrants of Rs.10/- each on preferential basis to Promoter group, out of which 750,000 warrants

## **ASHNOOR TEXTILE MILLS LIMITED**

have been converted into equity shares of Rs.10/- each at a price of Rs.22/- per share. Paid up share capital of the Company as on March 31, 2019 was Rs.124,895,036/- (Previous year Rs.107,395,036/-). Mr. Abhinav Gupta and Ms. Noor Gupta hold 50,000 and 200,000 convertible warrants respectively as on March 31, 2019. The Company has neither issued shares with deferential voting rights nor granted any employee stock options or sweat equity shares.

### **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

None of the Directors of your Company is disqualified under the provisions of the Companies Act, 2013 ((hereinafter in report be called as “the Act”) or Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter in report be called as “the Listing Regulations”). A certificate issued by the Practicing Company Secretary in this respect, as per provisions of circular number CIR/CFD/CMD/127/2019 dated February 8, 2019 is annexed as part of this Report as **Annexure-7**

All the Independent Directors of your Company have given declaration, confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations.

In accordance with provisions of the Companies Act, 2013 and Articles of Association of your Company Mr. Abhinav Gupta (DIN-02766867), Whole Time Director, will retire by rotation and, being eligible, offer him for re-appointment.

During the year, Ms. Noor Gupta (DIN: 03611790), who was appointed as Additional Director in Promoter category effective from December 9, 2017, was appointed as Director by the members in 35<sup>th</sup> Annual General Meeting. Further, Ms. Divya Agarwal (DIN: 08016384), who was also appointed as Additional Director in Independent category effective from December 9, 2017, was appointed as Director by the members in 35<sup>th</sup> Annual General Meeting.

Mr. Suneel Gupta (DIN: 0052084), Managing Director and Mrs. (Dr.) Sangeeta Gupta (DIN: 00052121), Whole Time Director, have been re-appointed for a period of 3 (Three) years with effect from January 9, 2020 and April 30, 2020 respectively on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in its meeting held on August 13, 2019 subject to your approval. The Board recommends their re-appointment for your approval.

The First term of Mr. Piyush Gupta (DIN: 00125678) as an Independent Director is upto September 29, 2019. The Board, on the recommendation of Nomination and Remuneration Committee, has proposed re-appointment of Mr. Piyush Gupta as Independent Director of the Company for second term of 5 (five) consequent years with effect from September 30, 2019. Your Directors confirms that the proposed re-appointee possesses the requisite skill, experience and expertise.

Pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following have been designated as the Key Managerial Personnel of the Company:

- Mr. Suneel Gupta — Managing Director
- Mr. Girish Singh Adhikari — Chief Financial Officer
- Ms. Sanjana Tandon — Company Secretary

## **ASHNOOR TEXTILE MILLS LIMITED**

The brief resume and other details of the Directors/Managerial Personnel, to be re-appointed, as required under Listing Regulations have been provided in notice of Annual General Meeting and Corporate Governance Report. Details of meeting attended by the Directors are given in Corporate Governance Report.

### **RELATIONSHIP BETWEEN DIRECTORS INTER-SE**

All the promoter Directors are relatives within the meaning of the term 'relative' as per section 2(77) of the Companies Act, 2013. However, remaining Directors are not related to each other.

### **AUDITORS AND AUDITORS' REPORT**

Agarwal & Gupta, Chartered Accountants, New Delhi, will continue as Auditors as they were appointed as Statutory Auditors of the Company for a period of five years in the 34<sup>th</sup> Annual General Meeting of the members held on September 25, 2017.

There is no qualification, reservation or adverse remarks in the audit report on financial statement of the Company for the financial year ended March 31, 2019 given by Messrs Agarwal & Gupta, Chartered Accountants, New Delhi. The Report of the Auditors on the Financial Statements including relevant rules on the accounts for the financial year ended March 31, 2019 are self-explanatory and do not call for any further comments. The said report forms part of Annual Report.

### **COST AUDIT**

The provisions relating to Cost Audit are not applicable to the Company.

### **INTERNAL AUDITORS**

As per requirements of section 138 of the Act, the Company has re-appointed Messrs Naveen Brahma Nand & Company, Chartered Accountants as Internal Auditors for the financial year 2019-2020.

### **SECRETARIAL AUDIT REPORT**

The Board had appointed Messrs Anil Arora & Associates, Company Secretaries, New Delhi as Secretarial Auditors, for the financial year 2018-2019, as per provisions of section 204 of the Companies Act, 2013. The report of Secretarial Auditors is annexed as '**Annexure-1**'. The Board has re-appointed them for the financial year 2019-2020.

Further, pursuant to Regulation 24A of Listing Regulations a Secretarial Compliance Certificate issued by a practicing Company secretary is annexed as "**Annexure-6**"

### **SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

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

### **PERFORMANCE EVALUATION OF BOARD OF DIRECTOR'S**

Pursuant to section 134(3)(p) of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of all the Directors individually including Independent Directors. The Nomination and Remuneration Committee had prepared detailed criteria for evaluating performance of the Directors including Independent Directors as per provisions of Schedule-II, Part-D of the Listing Regulations. The Independent Directors have evaluated performance of the Chairman and non-Independent Directors in their separate meeting. Evaluation has been made as per criteria provided by the Nomination and Remunerations Committee as per provisions of the Companies Act 2013 in the Listing Regulations.



## **ASHNOOR TEXTILE MILLS LIMITED**

The details of programs held during the financial year for familiarization of the Independent Directors with the Company, informing them about their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at the web-link: <http://ashnoortex.com/wp-content/uploads/2016/06/Familiarization-Policy.pdf>.

### **CODE OF CONDUCT**

Pursuant to provisions of the Companies Act and Listing Regulations, the Company has laid down a code of conduct for all members of the Board of Directors including Independent Directors and Senior Management of the Company, which include the duties of independent directors as laid down in the Act. The Board members and senior management personnel of the Company have affirmed compliance with the code of conduct and Managing Director has given a declaration affirming compliance with them. The Code of Conduct is available at website of the Company at web-link:<http://ashnoortex.com/wp-content/uploads/2016/06/Code-of-Conduct-for-Board-Members-Senior-Management.pdf>. The Board has plans in place for orderly succession for appointment to the Board of Directors and the Senior Management.

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

- a. in preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with the explanations relating to material departures, if any;
- b. the directors had selected such appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2019 and of the profit of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts for the financial year ended March 31, 2019 on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **NUMBER OF BOARD MEETINGS**

During the financial year 2018-2019, seven (7) meetings of the Board of Directors of the Company were held. The details of these meetings including attendance of Directors in these meetings are given in Corporate Governance Report.

### **CORPORATE GOVERNANCE**

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

A detailed report on Corporate Governance along with Management Discussion and Analysis Report are

## **ASHNOOR TEXTILE MILLS LIMITED**

annexed as part of this Report as **Annexure 4 and 5** respectively. A certificate issued by the Statutory Auditors on Corporate Governance is also annexed with detailed report on Corporate Governance.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the financial year under review, the Company had not entered into any contract/ arrangement/ transaction with related parties, which could be considered material in accordance with the policy of the Company on related party transactions.

The Related Party Transactions Policy as approved by the Board is available on Company's website at the weblink:<http://ashnoortex.com/wp-content/uploads/2016/06/Policy-on-Related-Party-Transactions.pdf>.

### **BUSINESS RISK MANAGEMENT**

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

### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return, in format MGT-9, for the Financial Year 2018-19 is annexed to this report as '**Annexure-2**'.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

### **INTERNAL FINANCIAL CONTROL**

Adequate procedures have been set up for internal financial controls to detect and prevent frauds and to protect the Company's resources. The financial statements are used to prepare in accordance with the Indian Accounting Standards.

### **AUDIT COMMITTEE**

The Audit Committee is comprised of Mr. Piyush Gupta-Chairman, Mr. Anil Aggarwal-Member and Mr. Suneel Gupta-member. During the year, four (4) meetings of Committee were held. Dates of meetings, attendance of Directors in meetings and other details are given in Corporate Governance Report. The Board has accepted all the recommendations of Audit Committee.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is comprised of Mr. Piyush Gupta as Chairman, Mr. Anil Aggarwal-member and Mr. Sanjay Arora-Member. During the year, two (2) meetings of Committee were held. Details of meetings are given in Corporate Governance Report. The Nomination and Remuneration Policy as approved by the Board is available on Company's website at the weblink:<http://ashnoortex.com/wp-content/uploads/2016/06/Nomination-and-Remuneration-Policy.pdf>.

## **ASHNOOR TEXTILE MILLS LIMITED**

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in 'Annexure-3' to this Report.

### **VIGIL MECHANISM**

Vigil Mechanism in the form of Whistle Blower Policy, as devised by the Company as per provisions of the Companies Act and Listing Regulations, provides freely reporting of any genuine concern to the Chairman of the Audit Committee by any Director or employee of the Company. The Company provides adequate safeguards against victimization to such Director(s) or employee(s). To meet these objectives the Company has laid down a Whistle Blower Policy duly approved by the Board, which is available on the Company's website at the weblink:<http://ashnoortex.com/wp-content/uploads/2016/06/Vigil-Mechanism.pdf>. Further details are available in the Report on Corporate Governance that forms part of this Report.

### **PREVENTION OF INSIDER TRADING**

In view to regulate trading in securities of the Company by the Directors and designated employees, the Company has framed a Code of Fair Disclosure as per provisions of Listing Regulations. It will help to prevent insider trading in the securities and ensure transparency. The code is available on the Company's website at the weblink:<http://ashnoortex.com/wp-content/uploads/2016/06/Code-of-Fair-Disclosure.pdf>.

### **MANAGERIAL REMUNERATION**

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

**Rupees in Lakh**

Sl. No	Name of Director/KMP	Designation	Remuneration during the Year	Percentage Increases/ decrease in Remuneration during the Year	Ratio of Remuneration of each Director to median remuneration
1.	Mr. Suneel Gupta	Managing Director	48.00	(42.85)	1.49
2.	Mrs. (Dr.) Sangeeta Gupta	Whole Time Director	30.00	(64.28)	2.38
3.	Mr. Abhinav Gupta	Whole Time Director	42.00	(50.00)	1.70
4.	Ms. Noor Gupta	Promoter Director	0.00	-	-
5.	Mr. Piyush Gupta	Independent Director	0.00	-	-
6.	Mr. Anil Aggarwal	Independent Director	0.00	-	-
7.	Mr. Sanjay Arora	Independent Director	0.00	-	-
8.	Mrs. Divya Agarwal	Independent Director	0.00	-	-
9.	Mr. Girish Singh Adhikari	CFO	6.21	54.25	-
10.	Ms. Sanjana Tondon	Company Secretary	3.60	0	-

No Commission was paid to Managing Director and Whole Time Director from the Company. The Company was having 343 permanent employees on the rolls of the Company. There was increase in the median remuneration of employees in the financial year.

## **ASHNOOR TEXTILE MILLS LIMITED**

The Company does not have any employee drawing remuneration as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS**

During the year, the Company has not given any Loan and Corporate Guarantee, which covers under section 186 of the Act. The Company has made investment of additional funds for the time being available with the Company as given in note number 3 in Balance Sheet.

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

During the financial year 2018-2019, no complaint was received for sexual harassment by Internal Complaints Committee set up under the captioned Act. Therefore, no complaint was pending for redressal on March 31, 2019.

### **ACKNOWLEDGMENT**

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

**By the order of the Board**

**Sd/-  
Suneel Gupta  
Managing Director  
DIN-00052084**

**sd/-  
Sangeeta Gupta  
Director  
DIN-00052121**

**Place: Gurugram  
Date: August 13, 2019**

# ASHNOOR TEXTILE MILLS LIMITED

Annexure-1

## FORM NUMBER- MR-3 SECRETARIAL AUDIT REPORT

FORTHE FINANCIAL YEAR ENDED MARCH 31, 2019

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

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

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

Based on my verification of Ashnoor Textile Mills Limited's (hereinafter called 'the company') books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, thereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing (Not applicable as the Company has not received FDI, ECB nor made any Overseas Direct Investment during audit period under review); and
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 {**Not applicable as the Company has not granted any Options to the employees during the audit period**};
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 {**Not applicable as the Company has issued any debt securities during audit period**};
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not applicable as the**

## ASHNOOR TEXTILE MILLS LIMITED

**Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period under review);**

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 {**Not applicable as the Company has not get delisted its equity shares from any stock exchange during the period under review**}; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 {**Not applicable as the Company has not bought back any of its securities during audit period under review**};
6. We have also examined compliance with following Act and rules made under these Act, Orders, Rules are specifically applicable to the Company:
- a) The Textile Committee Act, 1963;
  - b) Central Silk Board Act, 1948;
  - c) The Handloom Act, 1985;
  - d) Cotton Central Order, 1986;
  - e) The Textile Undertaking Act, 1995;

We have also examined compliance with the applicable clauses of the followings:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India; and
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women 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/Committee 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 and Committee meetings are carried out unanimously and views of dissenting members, if any, are captured and recorded as part of the minutes of meetings of the Board or Committee, as the case may be.

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

We also report that during the year, the Company has allotted 1,000,000 equity shares of Rs.10/- each at a price of Rs.22/- per share and 1,000,000 convertible warrants. Out of 1,000,000 convertible warrants, the Company has converted 750,000 warrants into similar number of equity shares of Rs.10/- each at a price of Rs.22/- per share and complied with all the related provisions.

## **ASHNOOR TEXTILE MILLS LIMITED**

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

**For Anil Arora & Associates  
Company Secretaries**

Sd/-

**Anil Kumar Arora  
Proprietor  
FCS Number: 5695  
CP Number: 4775**

**Date: August 13, 2019  
Place: New Delhi**

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

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### **ANNEXURE-A TO SECRETARIAL AUDIT REPORT**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide are as on able basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we 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. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management as conducted the affairs of the company.

**For Anil Arora & Associates  
Company Secretaries**

Sd/-

**Anil Kumar Arora  
Proprietor  
FCS Number: 5695  
CP Number: 4775**

**Date: August 13, 2019  
Place: New Delhi**

# ASHNOOR TEXTILE MILLS LIMITED

Annexure-2

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2019**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

(i)	CIN:	L17226HR1984PLC033384
(ii)	Registration Date	January 21, 1984
(iii)	Name of Company	Ashnoor Textile Mills Limited
(iv)	Category/Sub-Category of the Company	Company Limited by shares
(v)	Address of the Registered Office and contract details	Beharampur Road, Village Khandsa, Gurgaon, Haryana-122001 Phone Number: 0124 4809756 Email ID: <a href="mailto:atml_delhi@yahoo.com">atml_delhi@yahoo.com</a> Web: <a href="http://ashnoortex.com">ashnoortex.com</a>
(vi)	Whether listed Company	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent	Link Intime India Private Limited 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina New Delhi-110028 Phone: 011 4141 0592, 93, 94 Telefax: 011 41410591 E Mail: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Terry Towel	13111	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					



# ASHNOOR TEXTILE MILLS LIMITED

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [01-April-2018]				No. of Shares held at the end of the year [31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	7,234,013	0.00	7,234,013	67.32	9,029,862	0.00	9,029,862	72.26	4.94
b) Central Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Governments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total shareholding of Promoters (A)(1)</b>	<b>7,234,013</b>	<b>0.00</b>	<b>7,234,013</b>	<b>67.32</b>	<b>9,029,862</b>	<b>0.00</b>	<b>9,029,862</b>	<b>72.26</b>	<b>4.94</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Others-Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total shareholding of Promoters (A)(2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)=(A)(1)+ (A)(2)</b>	<b>7,234,013</b>	<b>0.00</b>	<b>7,234,013</b>	<b>67.32</b>	<b>9,029,862</b>	<b>0.00</b>	<b>9,029,862</b>	<b>72.26</b>	<b>4.94</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0.00	3,080	3,080	0.03	0.00	3,080	3,080	0.02	(0.01)
b) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Central Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Governments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>0.00</b>	<b>3,080</b>	<b>3,080</b>	<b>0.03</b>	<b>0.00</b>	<b>3,080</b>	<b>3,080</b>	<b>0.02</b>	<b>(0.01)</b>

## ASHNOOR TEXTILE MILLS LIMITED

<b>2. Non-Institutions</b>									
Bodies Corporate									
i) Indian	34,816	17,940	52,756	0.49	10,479	17,870	28,349	0.23	(0.26)
i) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 Lakh	678,601	2,597,702	3,276,303	30.49	802,884	2,459,365	3,262,249	26.10	(4.38)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	86,349	0.00	86,349	0.80	41,072	0.00	41,072	0.33	(0.47)
iii) Clearing members	16,002	0.00	16,002	0.15	5,154	0.00	5,154	0.04	(0.11)
iv) NBFC registered with RBI	0	0.00	0	0.00	21,280	0.00	21,280	0.17	0.17
a) Others (specify)									
i. Non- Resident Indians (Repatriation Basis) and Foreigners	3,043	14,168	17,211	0.16	20,657	14,168	34,825	0.28	0.12
ii. Trust	25,886	0.00	25,886	0.24	25,886	0.00	25,886	0.21	(0.03)
iii. HUF	34,249	0.00	34,249	0.32	44,092	0.00	44,092	0.35	0.03
<b>Sub-total (B)(2)</b>	<b>878,946</b>	<b>2,629,810</b>	<b>3,508,756</b>	<b>32.65</b>	<b>971,504</b>	<b>2,491,403</b>	<b>3,462,907</b>	<b>27.71</b>	<b>(4.93)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>878,946</b>	<b>2,632,890</b>	<b>3,511,836</b>	<b>32.68</b>	<b>971,504</b>	<b>2,494,483</b>	<b>3,465,987</b>	<b>27.74</b>	<b>(4.94)</b>
<b>A. Shares held by Custodian for GDRs and ADRs</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>8,112,959</b>	<b>2,632,890</b>	<b>10,745,849</b>	<b>100</b>	<b>10,001,366</b>	<b>2,494,483</b>	<b>12,495,849</b>	<b>100</b>	<b>0.00**</b>

\*250,000 warrants are pending for conversion into equity shares. If these warrants will be converted into equity then holding of the promoters will increase to 72.81% of expanded paid-up capital.

\*\*During the year the Company has allotted 1,000,000 and converted 750,000 warrants in equity shares. Therefore, total paid-up capital increased by 16.28%. However, percentage change during the year in category-wise shareholding is shown on expanded capital and, therefore, it shows percentage change during the year 0.00.

## ASHNOOR TEXTILE MILLS LIMITED

### B. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		Number of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mrs. Sangeeta Gupta	2,586,172	24.07	0.00	2,986,172	23.90	0.00	-0.17
2.	Mr. Suneel Gupta	3,461,841	32.22	0.00	4,261,841	34.11	0.00	1.89
3.	Mr. Abhinav Gupta	1,186,000	11.03	0.00	1,536,000	12.29	0.00	1.26
4.	Ms. Noor Gupta	0.00	0.00	0.00	245,849	1.96	0.00	1.96
	<b>Total</b>	<b>7,234,013</b>	<b>67.32</b>	<b>0.00</b>	<b>9,029,862</b>	<b>72.26</b>	<b>0.00</b>	<b>4.94</b>

### C. Change in Promoters' Shareholding

Date	Increase or Decrease (Reason)	Shareholding at the beginning of the year		Increase or Decrease in number of shares	Cumulative shareholding during the year	
		Number of Shares	% of total shares of the Company		Number of shares	% of total shares of the Company
<b>1. Suneel Gupta</b>						
01.04. 2018		3,461,841	32.22			
Increase (11.10.2018)	Allotment			400,000	3,861,841	32.88
Increase (26.03.2019)	Conversion of warrants			400,000	4,261,841	34.11
31.03. 2019					4,261,841	*34.11
<b>2. Sangeeta Gupta</b>						
01.04. 2018		2,586,172	24.07			
Increase (11.10.2018)	Allotment			200,000	2,786,172	23.72
Increase (26.03.2019)	Conversion of warrants			200,000	29,86,172	23.90
31.03. 2019					2,986,172	*23.90
<b>3. Abhinav Gupta</b>						
01.04.2018		1,186,000	11.03			
Increase (11.10.2018)	Allotment			200,000	1,386,000	11.79
Increase (26.03.2019)	Conversion of warrants			150,000	1,536,000	12.29
31.03.2019					1,536,000	*12.29

## ASHNOOR TEXTILE MILLS LIMITED

<b>4. Noor Gupta</b>						
01.04.2018			0	0		
Increase (11.10.2018)	Allotment			200,000	200,000	1.70
Increase (19.10.2018)	Transfer			45,849	45,849	1.96
31.03.2019					245,849	*1.96

\*On expanded capital after allotment and conversion of warrants.

### **D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Date	Increase or Decrease (Reason)	Shareholding at the beginning of the year		Increase or Decrease in number of shares	Cumulative shareholding during the year	
		Number of Shares	% of total shares of the Company		Number of shares	% of total shares of the Company
<b>1. Kailashben Ashokkumar Patel</b>						
01.04.2018		40500	0.38			
06.04.2018	Decrease/Transfer			4,550	35,950	0.33
13.04.2018	Decrease/Transfer			7,950	28,000	0.26
20.04.2018	Decrease/Transfer			1,000	27,000	0.25
08.06.2018	Decrease/Transfer			1,000	26,000	0.24
15.06.2018	Decrease/Transfer			174	25,826	0.24
22.06.2018	Decrease/Transfer			75	25,751	0.24
14.09.2018	Decrease/Transfer			251	25,500	0.24
26.10.2018	Increase/Transfer			1,000	26,500	0.25
02.11.2018	Increase/Transfer			7,677	34,177	0.29
16.11.2018	Increase/Transfer			610	34,787	0.30
28.12.2018	Increase/Transfer			1,416	36,203	0.31
01.03.2019	Increase/Transfer			898	37,101	0.32
08.03.2019	Increase/Transfer			2,200	39,301	0.33
15.03.2019	Increase/Transfer			1,304	40,605	0.35
22.03.2019	Increase/Transfer			244	40,849	0.35
31.03.2019	Increase/Transfer				40,849	*0.35

## ASHNOOR TEXTILE MILLS LIMITED

<b>2. Custodian A/C FFSL</b>						
01.04.2018		24,766	0.23			
31.03.2019					24,766	*0.21
<b>3. Andhra Bank Financial Services Limited</b>						
01.04.2018		21,280	0.20			
31.03.2019					21,280	*0.18
<b>4. Munni Lal Maheshwari</b>						
01.04.2018		18,960	0.18			
31.03.2019					18,960	*0.16
<b>5. Pradeep Kumar Nehra</b>						
09.11.2018		16,174	0.14			
16.11.2018	Increase/Transfer			100	16,274	0.14
23.11.2018	Increase/Transfer			100	16,374	0.14
31.03.2019					16,374	*0.14
<b>6. Sanjay Kumar Sarawagi</b>						
01.04.2018		13,320	0.12			
01.02.2019	Increase/Transfer			164	13,484	0.11
08.03.2019	Increase/Transfer			140	13,624	0.12
31.03.2019					13,624	*0.12
<b>7. Pritty Devi Sarawagi</b>						
01.04.2018		13,502	0.13			
31.03.2019					13,502	*0.12
<b>8. Madhu Bhai N Patel</b>						
01.04.2018		11,410	0.11			
31.03.2019					11,410	*0.09
<b>9. Harishchandra C Shirodkar</b>						
01.03.2019	Increase/Transfer	11,187	0.10			
31.03.2019					11,187	*0.10
<b>10. Poonam Sawhney</b>						
01.04.2018		11,121	0.12			
31.03.2019					11,121	*0.09

\*On expanded capital

## ASHNOOR TEXTILE MILLS LIMITED

### E. Shareholding of Directors and Key Managerial Personnel:

Date	Increase or Decrease (Reason)	Shareholding at the beginning of the year		Increase or Decrease in number of shares	Cumulative shareholding during the year	
		Number of Shares	% of total shares of the Company	Number of shares	% of total shares of the Company	
<b>1. Suneel Gupta</b>						
01.04. 2018		3,461,841	32.22			
11.10.2018	Increase/Allotment			400,000	3,861,841	32.88
26.03.2019	Increase/conversion of warrants			400,000	4,261,841	34.11
31.03. 2019					4,261,841	34.11
<b>2. Sangeeta Gupta</b>						
01.04. 2018		2,586,172	24.07			
11.10.2018	Increase/Allotment			200,000	2,786,172	23.72
26.03.2019	Increase/Conversion of warrants			200,000	2,986,172	23.90
31.03. 2019					2,986,172	23.90
<b>3. Abhinav Gupta</b>						
01.04.2018		1,186,000	11.03			
11.10.2018	Increase/Allotment			200,000	1,386,000	11.79
26.03.2019	Increase/Conversion of warrants			150,000	1,536,000	12.29
31.03.2019					1,536,000	12.29
<b>4. Noor Gupta</b>						
01.04.2018		0	0			
11.10.2018	Increase/Allotment			200,000	200,000	1.70
19.10.2018	Increase/Transfer			45,849	45,849	2.09
31.03.2019					245,849	1.96
<b>5. Piyush Gupta</b>						
01.04. 2018		0	0.00			
	Increase/Decrease			0		
31.03.2019					0.00	0.00
<b>6. Divya Agarwal</b>						
01.04. 2018		0	0.00			
	Increase/Decrease			0		
31.03.2019					0.00	0.00
<b>7. Anil Aggarwal</b>						
01.04. 2018		0	0.00			
	Increase/Decrease			0		
31.03.2019					0.00	0.00

## ASHNOOR TEXTILE MILLS LIMITED

<b>8. Sanjay Arora</b>						
01.04. 2018			0.00			
	Increase/Decrease			0		
31.03.2019					420	0.00
<b>9. Girish Singh Adhikari</b>						
01.04. 2018			0.00			
	Increase/Decrease			0		
31.03.2019					0.00	0.00
<b>10. Sanjana Tondon</b>						
01.04. 2018			0.00			
	Increase/Decrease			0		
31.03.2019					0.00	0.00

### V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment (In Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	38,36,31,694.00	5,55,00,000.00	0.00	43,91,31,694.00
ii) Interest due but not paid	0.00	46,93,704.00	0.00	46,93,704.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total ( I + ii + iii )</b>	<b>38,36,31,694.00</b>	<b>6,01,93,704.00</b>	<b>0.00</b>	<b>44,38,25,398.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,09,00,05,052.00	1,75,42,805.00	0.00	2,10,75,47,857.00
* Reduction	2,04,70,25,506.46	3,76,35,596.00	0.00	2,08,46,61,102.46
<b>Net Change</b>	<b>4,29,79,545.54</b>	<b>(2,00 92,791.00)</b>	<b>0.00</b>	<b>2,28,86,754.54</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	42,66,11,239.54	3,20,50,000.00	0.00	45,86,61,239.54
ii) Interest due but not paid	0.00	69,87,905.00	0.00	69,87,905.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total ( i + ii + iii )</b>	<b>42,66,11,239.54</b>	<b>3,90,37,905.00</b>	<b>0.00</b>	<b>46,56,49,144.54</b>

## ASHNOOR TEXTILE MILLS LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rupees in lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Suneel Gupta (MD)	Sangeeta Gupta (WTD)	Abhinav Gupta (WTD)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Incometax Act, 1961	48.00 0 0 0	30.00 0 0 0	42.00 0 0 0	120.00 0 0 0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0 0	0 0	0 0	0 0
5.	Others, please specify	0	0	0	0
	Total (A)	48.00	30.00	42.00	120.00
	Ceiling as per the Act		Remuneration paid as per schedule V of the Companies Act,2013.		



## ASHNOOR TEXTILE MILLS LIMITED

### B. Remuneration to other directors:(Rupees in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Piyush Gupta	Sanjay Arora	Anil Aggarwal	Divya Agarwal	Noor Gupta	
	1. Independent Directors						
	• Fee for attending board committee meetings	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0
	2. Others Non- Executive Directors						
	• Fee for attending board committee					0	0
	• Commission					0	0
	• Others, please specify					0	0
	Total (2)					0	0
	Total (B)=(1+2)	0	0	0	0	0	0
	Total Managerial Remuneration						120
	Overall Ceiling as per the Act	(being 1% of Net Profit of the Company Calculated as per section 198 of the Companies Act, 2013)					

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rupees in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the income tax Act, 1961		3.30	6.21	9.51
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		0	0	0
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission				
	- as % of profit		0	0	0
	- others, specify....		0	0	0
5.	Others, Please specify		0	0	0
	Total	0	3.30	6.21	9.51

## ASHNOOR TEXTILE MILLS LIMITED

### V. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: None

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHERS OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

By the order of the Board

Sd/-  
Suneel Gupta  
Managing Director  
DIN-00052084

Sd/-  
Sangeeta Gupta  
Director  
DIN-00052121

Place: Gurugram  
Date: August 13, 2019

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

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

**1. CONSERVATION OF ENERGY**

Energy plays an important role for economic development of all over the world and most critical input for economic development of developing country. The Company has been continually making efforts to improve the energy performance by planning and its management. This not only saves energy resources for future but also avoids wasteful utilization of energy. Another area to focus is on reduction in consumption of energy and also finds out renewable resources. In view of growing deficit between supply and demand of electrical power, it is important to use energy wisely. The only solution to the growing energy deficit is to facilitate good energy saving measures through conservation of power, fuel and water.

**a) Energy Conservation Measures Taken**

- In 2018-2019 also the Company has replaced Conventional Lamps, wherever required, with LED lamps;
- The Company controls potential areas where it may suffer energy losses;
- The Company directs all the employees at all level to avoid wastage of electricity by effective utilization of computers machines, switching off all computers, AC System and light when not required;
- Company has continued to use Turbine Ventilators instead of industrial exhaust fans.

**b) Utilization of alternative source of energy**

- Presently, the Company is not using any alternate source of energy but is searching a good alternative source.

**c) Capital Investment on energy conservative equipment**

- No significant investment is made in this financial year.

**2. TECHNOLOGY ABSORPTION(R&D)**

**A. Research and Development**

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

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

**b) Benefits derived as a result of R&D**

- Cost reduction

**c) Future Plan of Action**

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

## ASHNOOR TEXTILE MILLS LIMITED

### d) Expenditure on R&D

- R&D being integral part of production is carried out in a continuous manner and, therefore, no separate record on expenses incurred on R&D is maintained.

### B. Technology absorption, adaptation and innovation

- The Company has no technology for absorption, adaptation and innovation.

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

#### a) Activities relating to export, initiative taken to increase exports, development of new export market for products and export plans

- The Company is continuously trying to increase exports in existing markets and also trying to find out new markets.

#### b) Total foreign exchange earned and used during the financial year

##### Income in Foreign Currency (Rupees in Lakh)

Particulars	2018-2019	2017-2018
FOB value of Export of Terry Towels (Realization basis)	11,325.47	7,497.59

##### Expenditure in Foreign Currency (Rupees in Lakh)

Particulars	2018-2019	2017-2018
Import of Stores and Spares	16.81	68.73
Foreign Travelling	46.81	25.32
Purchase of machineries	0.00	409.08
Total Expenditures	63.62	503.13
Net foreign exchange earned	11,261.85	6,994.46

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Corporate Governance

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all its dealings with all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices which has been in practice since the beginning. The Company in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), submits a Corporate Governance Report on the matters mentioned in Schedule V of the said Regulations.

### 2. Board of Directors

#### (a) Composition of the Board

As on March 31, 2019, the Company is comprised of eight Directors with Executive, Non-Executive Promoter Directors and Non-Executive Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act. The composition of the Board and category of Directors as on March 31, 2019 is as follows:

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

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

#### (b) Number of Board Meetings

1. During the year under review, 7 (seven) meetings of the Board of Directors were held on May 29, 2018; August 13, 2018; August 27, 2018; October 11, 2018, November 12, 2018; February 13, 2019 and March 26, 2019.
2. The necessary quorum was present for all the meetings.
3. As per provisions of section 173 (1) of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations, gap between two Board Meetings did not exceed 120 days. During the year, all the relevant information as required to be placed before the Board inter-alia as per the Listing Regulations were placed before the Board and discussed/approved by it.
4. During the year, information as mentioned in Part A of Schedule II of the Listing Regulations, has been placed before the Board for its consideration.

## **ASHNOOR TEXTILE MILLS LIMITED**

5. The Board periodically reviews the compliance reports of all laws applicable to the Company.
6. The schedule of the Board meetings were decided in advance, in consultation with Directors and communicated to them as per provisions of the Companies Act, 2014 and Secretarial Standards-1.

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

Name of Directors	Attendance			Other Directorships/ Committee Memberships (in public companies)		
	Number of Board Meeting held during the year	Number of Board Meeting attended	Last AGM attended (Yes / No)	Directorships in other public limited companies	Committee membership	Committees' Chairman
Mr. Suneel Gupta	7	7	Yes	--	--	--
Mrs. Sangeeta Gupta	7	7	Yes	--	--	--
Mr. Abhinav Gupta	7	3	Yes	--	--	--
Ms. Noor Gupta	7	4	No	--	--	--
Mr. Piyush Gupta	7	7	Yes	--	--	--
Mr. Anil Aggarwal	7	6	Yes	--	--	--
Mr. Sanjay Arora	7	2	No	--	--	--
Ms. Divya Agarwal	7	2	No	--	--	--

All the promoters are relatives as defined in section 2(77) of the Companies Act, 2013 read with rule 4 of Companies (Specification of Definitions Details) Rules, 2014 while Non-executive Independent Directors are not related to each other. Non-executive Independent Directors do not hold any share or convertible instruments in the Company as on March 31, 2019 except Mr. Sanjay Arora and Ms. Noor Gupta. Mr. Sanjay Arora, Non Executive Independent Director, holds 420 equity shares original allotted to him and Ms. Noor Gupta, Non Executive Promoter Director, holds 245,849 equity shares and 200,000 convertible warrants.

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

The independent Directors on the Board of the Company are distinguished people who have wide experience in the field of various fields viz. business, industry, commerce, finance, company law and administration. The Company's familiarization program explains the roles, rights, responsibilities in the

## **ASHNOOR TEXTILE MILLS LIMITED**

Company, nature of industry in which Company operates to the Independent Directors. A web link showing details of familiarization program imparted on the web of are available on the website of the Company at the web-link: <http://ashnoortex.com/wp-content/uploads/2016/06/Familiarization-Policy.pdf>.

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

The Company has adopted a Code of Conduct for all its Board Members and Senior Managerial Personnel in compliance with the provisions of Regulation 17 (5) of Listing Regulations. All the Board Members and the Senior Managerial Personnel have affirmed compliance with the Code of Conduct as on March 31, 2019 and a Declaration to this effect is attached with this Report. A copy of the code has been put on the Company's Website at the link::<http://ashnoortex.com/wp-content/uploads/2016/06/Code-of-Conduct-for-Board-Members-Senior-Management.pdf>.

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

The Company is carrying business of manufacturing, sale and export of terry towels and requires expertise in various branches of engineering, quality control, operations, research and development, marketing and logistics. The Board of Director and Key Managerial Personnel possess requisite skill, expertise and competence.

## **3. COMMITTEES OF THE BOARD**

The terms of reference of the Board's Committees are determined by the Board from time to time. As on March 31, 2019, the Board has 3 (Three) Committees, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and all the decisions pertaining to the constitution of the Committee(s), appointment of its Members etc. are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

### **I. Audit Committee**

#### **(a) Composition and Attendance:**

During the year under review, 4 (four) Meetings of Audit Committee were held on May 29, 2018, August 13, 2018, November 12, 2018 and February 13, 2019. All the Members of the Committee were present in the Meetings. The composition of the Audit Committee is as under:

<b>Serial Number</b>	<b>Name of Members</b>	<b>Status</b>	<b>Category</b>	<b>Number of Meetings held</b>	<b>Number of Meetings Attended</b>
1	Mr. Piyush Gupta	Chairman	Non-Executive Independent Director	4	4
2	Mr. Anil Aggarwal	Member	Non-Executive Independent Director	4	4
3	Mr. Suneel Gupta	Member	Executive Director Promoter	4	4

The Company has designated Mr. Piyush Gupta as Chairman of the Audit Committee. All the members are financially literate as per requirements of Explanations to Regulation 18(1) of Listing Regulations and having accounting and related financial management expertise. The Company Secretary acts as

## **ASHNOOR TEXTILE MILLS LIMITED**

the Secretary at the meeting of the Audit Committee. The minutes of Audit Committee Meeting were placed before the Board and discussed in the meetings. Role of audit Committee includes as given in Part-C of Schedule-II of the Listing Regulations.

### **(b) Terms of Reference:**

The Committee governed by a Charter which is in line with the regulatory requirements mandated by the Act and Regulation 18 of Listing Regulations.

The Terms of Reference of the Committee includes:

- ✓ To recommend the appointment, remuneration and terms of appointment of auditors of the company;
- ✓ To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ✓ To approve any subsequent modification of transactions of the company with related parties;
- ✓ To scrutinize inter-corporate loans and investments;
- ✓ To evaluate internal financial controls and risk management systems;
- ✓ To monitor the end use of funds raised through public offers and related matters.
- ✓ Review of the Audit Reports of the Internal Auditors.
- ✓ Ensuring adequacy of Internal Audit Function and Internal Control Systems.
- ✓ Overseeing the Company's financial reporting process and disclosure of financial information.
- ✓ Review of the Quarterly, Half-yearly, and Annual Financial Statements before submission to the Board.

The Role of audit committee and the information to be received by the audit committee are as provided in schedule II, part C of Listing Regulations.

## **II. Nomination and Remuneration Committee**

### **(a) Composition and Attendance:**

During the year under review, 2 (two) Meetings of Nomination and Remuneration Committee were held on August 13, 2018 and March 26, 2019. The composition of the Nomination and Remuneration Committees as under:

<b>Name of the Members</b>	<b>Status</b>	<b>Category</b>	<b>Number of Meetings held</b>	<b>Number of Meetings Attended</b>
Mr. Piyush Gupta	Chairman	Non-Executive Independent Director	2	2
Mr. Anil Aggarwal	Member	Non-Executive Independent Director	2	1
Mr. Sanjay Arora	Member	Non-Executive Independent Director	2	1

### **(b) Terms of Reference:**

The Committee governed by the provisions mandated by the Act and Regulation 19 of Listing Regulations.



## ASHNOOR TEXTILE MILLS LIMITED

The Terms of Reference of the Committee includes:

- ✓ To carry out evaluation of every Director's performance.
- ✓ To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, keymanagerial personnel and other employees.
- ✓ To formulate the criteria for evaluation of Independent Directors and the Board.
- ✓ To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- ✓ To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ✓ To perform such other functions as may be necessary or appropriate for the performance of its duties.

**(c) Performance Evaluation criteria for Independent Directors:**

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

**(d) Remuneration of Directors**

Details of remuneration paid to Managing/Whole Time Directors for the year ended March 31, 2019 is given below:

**Amount in INR**

<b>Name and Designation</b>	<b>Mr. Suneel Gupta- Managing Director</b>	<b>Mrs. (Dr.) Sangeeta Gupta – Whole time Director</b>	<b>Mr. Abhinav Gupta-Whole time Director</b>
<b>Sitting Fee</b>	0	0	0
<b>Consolidated Salary</b>	4,800,000	3,000,000	4,200,000
<b>Perquisites and Allowances</b>	0	0	0
<b>Commission Paid</b>	0	0	0
<b>Total in Rupees</b>	4,800,000	3,000,000	4,200,000
<b>Date of Re-appointment</b>	January 10, 2017	May 1, 2017	February 1, 2019
<b>Period of Re-appointment</b>	3 years	3 years	3 years

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

As per policy of the Company, any employee on senior level including employee Director may be ceased by giving one month/three months (as applicable) notice to or by the Company. The Company has not issued any stock option during the financial year.

## **ASHNOOR TEXTILE MILLS LIMITED**

### **III. Stakeholder Relationship Committee**

#### **(a) Composition and Attendance:**

During the year Under review, 4 (four) meetings of the Stakeholder Relationship Committee were held on May 29, 2018, August 13, 2018, November 12, 2018 and February 13, 2019. All the Members of the Committee were present in the Meetings. The composition of the Stakeholders Relationship Committee and details of the Members participation at the Meetings of the Committee are as under:

<b>Serial Number</b>	<b>Name of Members</b>	<b>Status</b>	<b>Category</b>	<b>Number of Meetings held</b>	<b>Number of Meetings Attended</b>
1	Mr. Piyush Gupta	Chairman	Non-Executive Independent Director	4	4
2	Mr. Anil Aggarwal	Member	Non-Executive Independent Director	4	4
3	Mr. Suneel Gupta	Member	Executive Director Independent	4	4

The Company has designated Mr. Piyush Gupta as Chairman of the Nomination and Remuneration Committee. The Committee has power to consider and resolve the grievance of shareholders including transfer of shares, non-receipt of annual report etc. Ms. Sanjana Tandon, Company Secretary, has been designated as the Compliance Officer as per the requirements of the Listing Regulations. The Minutes of each Stakeholders Relationship Committee Meeting are placed before the Board of Directors for confirmation.

#### **(b) Terms of Reference:**

The Committee governed by the provisions mandated by the Act and Regulation 19 of Listing Regulations.

The Terms of Reference of the Committee includes:

- ✓ Consider allotment of securities;
- ✓ Issue of duplicate certificates for securities of the Company;
- ✓ Deciding the dates of book closure/ record date in respect of shares and other securities issued by the Company;
- ✓ Other matters as may be prescribed or to be prescribed from time to time to be dealt with or handled by the Committee pursuant to provisions of the Act, the Rules framed thereunder, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and/or the guidelines, circulars or notifications issued by the Securities and Exchange Board of India; and
- ✓ Any other matter as may be delegated by the Board of Directors from time to time.

In the beginning of the year, no Investor Grievance was pending. During the financial year 2018-2019, under review, the Company had received 5 (Five) Investor Grievances pertaining to investor related matters. All the Investor Grievances have been attended and disposed off except one which was received at the end of March 2019 and was disposed off within the time provided to dispose off the complaint.

To regulate trading in securities by the Directors and designated employees the Company has adopted a "Code of Conduct for Prohibition of Insider Trading".

## **ASHNOOR TEXTILE MILLS LIMITED**

### **4. General Body Meetings**

Location and time for the last three Annual General Meetings

<b>Year</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
2015-2016	September 30, 2016	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 a. m.
2016-2017	September 25, 2017		
2017-2018	September 29, 2018		

In Annual General Meeting held on September 30, 2016, the members passed six special resolution related to Appointment of Whole Time Director, Re-appointment of Managing Director, Re-appointment Whole Time Director, Adoption of new set of Memorandum of Association, Articles of Association and borrowing in excess of paid up capital and free reserves.

Further, in previous Annual General Meeting held on September 25, 2017, a special resolution pertaining to increase in remuneration of Whole-Time Director was passed.

In Annual General Meeting held on September 29, 2018, the members passed three special resolution related to Re-appointment Whole Time Director, Issue of equity shares on preferential basis to promoter group, Issue of convertible warrants into equity on preferential basis to the promoter group.

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

### **5. Means of Communication**

<b>Quarterly Results</b>	Quarterly Results are announced within forty-five days from the end of respective quarter and are normally published in The Pioneer (English) and Veer Arjun (Hindi).
<b>Any Website</b>	<a href="http://www.ashnoortex.com">www.ashnoortex.com</a>

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

### **6. General Shareholders Information**

#### **(a) Date, Time and Venue of 36<sup>th</sup> Annual General Meeting (Proposed)**

- Day and Date** - Friday, September 27<sup>th</sup>, 2019
- Time** - 9:30 A.M.
- Venue** - Beharampur Road, Village Khandsa, District Gurgaon, Haryana.
- Last date for receipt of Proxy Forms:** - September 25<sup>th</sup>, 2019 till 9:30 a. m.

## **ASHNOOR TEXTILE MILLS LIMITED**

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

The Company expects to announce the un-audited quarterly results for the year 2019-2020, as per the following schedule:

First Quarter	:	On or before August 14, 2019
Second Quarter	:	On or before November 14, 2019
Third Quarter	:	On or before February 14, 2020
Fourth Quarter/Annual	:	On or before May 30, 2020

### **(c) Dividend Payment Date**

The Board of Directors has not recommended any dividend for the financial year 2018-2019.

### **(d) Book Closure**

The Company's Register of Members and Share Transfer Book will remain closed from Saturday, September 21<sup>st</sup>, 2019 to Friday, September 27<sup>th</sup>, 2019 (both days inclusive).

### **(e) Listing on Stock Exchanges**

The Company's equity shares are listed at The Bombay Stock Exchange, Mumbai (BSE). The Company has paid the Annual listing fees for the financial year 2019-2020.

### **(f) Stock Code**

BSE, Mumbai: 507872

### **(g) Market Information and Performance of Company's stock price in comparison to broad based BSE Sensex**

Prices in INR			
Month	Monthly High Price	Monthly Low Price	Monthly Closing Price
April 2018	23.95	19.30	20.90
May 2018	23.60	20.00	22.85
June 2018	23.00	18.80	19.60
July 2018	20.50	16.70	16.70
August 2018	19.70	15.90	18.60
September 2018	24.35	18.00	23.65
October 2018	22.50	16.35	17.00
November 2018	22.95	16.45	22.95
December 2018	21.85	16.50	17.75
January 2019	22.45	14.60	14.60
February 2019	17.38	13.75	14.44
March 2019	17.24	13.76	15.75

Source: bseindia.com

## **ASHNOOR TEXTILE MILLS LIMITED**

**(h) Performance in comparison to broad base indices such as BSE Sansex, CRISIAL Index etc.**

<b>Month</b>	<b>Monthly Closing Sensex at BSE</b>	<b>Monthly Closing Price In Rupees</b>
April 2018	35160.36	20.90
May 2018	35322.38	22.85
June 2018	35423.48	19.60
July 2018	37606.58	16.70
August 2018	38645.07	18.60
September 2018	36227.14	23.65
October 2018	34442.05	17.00
November 2018	36194.30	22.95
December 2018	36068.33	17.75
January 2019	36256.69	14.60
February 2019	35867.44	14.44
March 2019	38672.91	15.75

**Source: bseindia.com**

**(i) Registrar and Share Transfer Agents**

Messrs Link Intime India Private Limited is Registrar and Share Transfer Agent. Its office is situated at following address:

Messrs Link Intime India Private Limited  
Noble Heights, 1<sup>st</sup> Floor, NH-2, Janankpuri,  
New Delhi-110058

**(j) Share Transfer System**

The shares received in physical forms usually transferred and returned within a period of 15 days from the date of receipt, if documents are complete with all respects.

Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt. Bad deliveries are promptly returned to depository Participants under the advice of shareholders.

## ASHNOOR TEXTILE MILLS LIMITED

### (k) Distribution and Pattern of Share holding

#### (i) Distribution of Shareholding of the Company as on March 31, 2019

Range of Equity Shares In Rupees	Shareholders		Share Capital Amount In Rupees			Share Capital Amount	
	Number	%	Physical	NSDL Demat	CDSL Demat	Rupees	%
0 – 5000	16,536	95.0727	19,618,270	2,369,300	1,369,140	23,356,710	19.8851
5,001 – 10,000	586	3.3692	2,942,930	747,060	392,980	4,082,970	3.4760
10,001 – 20,000	168	0.9659	1,215,000	594,510	481,990	2,291,500	1.9509
20,001 – 30,000	41	0.2357	284,080	381,640	338,540	1,004,260	0.8550
30,001 – 40,000	25	0.1437	408,620	177,110	297,080	882,810	0.7516
40,001 – 50,000	7	0.0402	129,500	0	180,770	310,270	0.2642
50,001 – 1,00,000	14	0.0805	232,330	309,860	356,200	898,390	0.7649
1,00,001 and Above	16	0.091	114,100	71,219,080	20,798,400	92,131,580	72.0523
<b>Total</b>	<b>17,393</b>	<b>100</b>	<b>24,944,830</b>	<b>75,798,560</b>	<b>24,215,100</b>	<b>124,958,490</b>	<b>100</b>

#### (ii) Shareholding Pattern of the Company as on March 31, 2019

Category of Shareholders	Number of Share holders	Number of Shares held	Percentage of holding
Promoters	4	9,029,862	72.26
Financial Institutions, Mutual Funds and Banks	1	3,080	0.02
NRI's	10	20,657	0.17
Foreign Nationals	10	14,168	0.11
Individual shareholding-Nominal share capital upto Rs.2 lakh	17,137	3,262,249	26.11
Individual shareholding-Nominal share capital in excess of Rs.2 lakh	1	41,072	0.33
Private Corporate Bodies	74	28,349	0.23
HUF	46	44,092	0.35
Clearing Members	9	5,154	0.04
Trust	2	25,886	0.21
NBFCs registered with RBI	1	21,280	0.17
<b>Total</b>	<b>17,295</b>	<b>12,495,849</b>	<b>100.00</b>

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

## **ASHNOOR TEXTILE MILLS LIMITED**

**(l) Outstanding GDRs/ADRs/Warrants or any Convertible Instrument**

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments which likely to have impact on Equity share capital of the Company.

- (m)** The ISIN No. of the Company is INE372I01018. 88.04% of the paid-up share capital had been dematerialized as at March 31, 2019 with the two depositories.

**(n) Plant Location**

Behrampur Road,  
Village Khandsa  
District Gurgaon, Haryana-122001

**(o) Address for Correspondence**

Ashnoor Textile Mills Limited  
Behrampur Road, Village Khandsa  
District Gurgaon, Haryana-122001  
Phone: 0124 4809756  
E-mail: atml\_delhi@yahoo.com

### **10. Other Disclosures**

**(a) Related Party Transactions**

During the year, the Company has no significant related party transactions with any related party, which is considered to have conflict with the interests of the Company at large. All the Directors and Key Managerial Personnel have made Suitable disclosures, where they and/or their relatives have personal interest. A detail disclosure on related party transactions has been made at **Note number 33(b)** in Notes to Financial Statement. Web link of policy on dealing with related party transactions is: <http://ashnoortex.com/wp-content/uploads/2016/06/Policy-on-Related-Party-Transactions.pdf>

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

During the period of last three years, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets.

**(c) Whistle Blower Policy**

Pursuant to provisions of Section 177 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations, the Company has a Vigil Mechanism and Whistle Blower Policy for directors and employees to report genuine concern. This mechanism provides adequate safeguard against victimization of employees and directors who avail of the vigil mechanism. It is affirmed that no person has been denied access to Audit Committee. Web link of policy on vigil mechanism has been provided at <http://ashnoortex.com/wp-content/uploads/2016/06/Vigil-Mechanism.pdf>.

**(d) Accounting Treatment**

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

## **ASHNOOR TEXTILE MILLS LIMITED**

**(e) Subsidiary Company**

The Company does not have any subsidiary / material subsidiary. However, policy to determine material subsidiary is available at Company website at <http://ashnoortex.com/wp-content/uploads/2016/08/Material-Subsidiary-Policy.pdf>. The company does not have any associate/joint venture/holding company.

**(f) Risk Management**

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimalization procedure. However, the Company is not required to formulate Risk Management Committee.

**(g) Code of Conduct**

In view of provide guidance and support needed for ethical conduct of business and compliance of provisions of all applicable laws, the Company has in place a comprehensive Code of Conduct (the Code) applicable to all the Directors (including Independent Directors) and senior management personnel. This code has been circulated to all the Directors and Senior Management Personnel. A declaration signed by the Managing Director is published in this report. A web link of code is given at <http://ashnoortex.com/wp-content/uploads/2016/06/Code-of-Conduct-for-Board-Members-Senior-Management.pdf>.

**(h) Review of Directors' Responsibility Statement**

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

**(i) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

During the 2018-2019, there was foreign exchange risk due to volatility in the rate of INR versus US\$. But, the Company adopted suitable hedging strategy to minimize the risk. The Commodity risk mainly comprised of risk due to volatility in price of cotton yarn. The Company had adopted appropriate inventory policies to minimize this risk.

**(j) During the year, the Company has complied with all the conditions of Corporate Governance requirements as stipulated in the Listing Regulations, as applicable.**

The Company has obtained a certificate from Messrs Anil Arora & Associates, Company Secretaries, that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company.

**(k) Disclosure with respect to demat suspense account/unclaimed suspense account**

At present, the Company has 1589 Shareholders holding 252,983 shares, whose Shareholding are lying undelivered /unclaimed (Previous year: 255,912 shares of 1,597 shareholders).

**(l) During the year the Company has allotted 1,000,000 equity shares of Rs.10/- each at a price of Rs.22/- each and 1,000,000 Convertible Share Warrant. Out of which the Company has converted 750,000 Convertible Share Warrant into equity shares of Rs.10/- each at a price of Rs.22/- each. These shares and convertible share warrants were issued to Promoter group on preferential basis. Pursuant**



## **ASHNOOR TEXTILE MILLS LIMITED**

to Regulation 32 (7A) be informed that the Company has all the used money so raised till March 31, 2019 for expansion of business, general corporate purposes, working capital and repayment of existing loan.

(m) There are no significant change in key financial ratios as compared to the immediately previous financial year.

(n) **Other Requirement of Listing Regulations**

(i) **The Board of Directors**

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

(ii) **Members' Rights**

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

(iii) **Unmodified Audit Report**

There are no Audit Qualifications in the Company's financial statements for the financial year 2018-2019.

**12. Compliance Certificate**

The above report was placed before the Board meeting held on May 27, 2019. The Compliance Certificate for Corporate Governance issued by the Statutory Auditors of the Company is annexed with this report.

**13. CEO/CFO Certifications**

The Managing Director and Chief Financial Officer of the Company have given annual certification as per Regulation 17(8) of Listing Regulations to the Board at its meeting held on May 27, 2019.

Sd/-  
**Suneel Gupta**  
Managing Director  
DIN-00052084

Sd/-  
**Sangeeta Gupta**  
Director  
DIN-00052121

**Place: Gurugram**  
**Date: May 27, 2019**

## **ASHNOOR TEXTILE MILLS LIMITED**

### **DECLARATION REGARDING CODE OF CONDUCT**

I, Suneel Gupta, Managing Director, of the Company hereby certify that the Board members and Senior Management Personnel has affirmed compliance with the Code of Conduct for the financial year ended March 31, 2019 as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

**Suneel Gupta**  
**Managing Director**  
**DIN-00052084**

**Place: Gurugram**  
**Date: May 27, 2019**

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### **AUDITORS' CERTIFICATE**

#### **CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITION OF CORPORATE GOVERNANCE**

##### **To the Members of Ashnoor Textile Mills Limited**

We have examined the compliance of conditions of Corporate Governance by Ashnoor Textile Mills Limited for the year ended on March 31, 2019, as stipulated in SEBI (Obligations and Disclosures Requirements) Regulation, 2015 (the Listing Regulations).

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

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

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned the Listing Regulations during the financial year ended March 31, 2019.

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 AGARWAL & GUPTA**  
**Chartered Accountants**  
**(Registration Number: 017621C)**

Sd/-

**Hemendra Kumar Gupta**  
**Partner**  
**Membership Number: 83399**

**Place: New Delhi**  
**Date: May 27, 2019**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **A. Business overview of Ashnoor Textile Mills Limited**

Ashnoor Textile Mills Limited (ATML) is engaged in manufacture and export of terry towels. It has only one plant located at Gurgaon. The company is making its entire export to U.S.A. which constitutes nearly 90% of the total sales. So the business prospects of the company are dependent on global and Indian economy; particularly the economic conditions in U.S.A. As far as the cost structure is concerned, the two important factors are fuel and cotton yarn. The operations of the company are also affected by exchange rates and export incentives by the government of India.

### **B. Industry Structure and Developments**

India's textile sector has the second-largest employment, employing more than 30 million workers. It has the potential to double this employment in the next seven years as per the vision document (for 2024-25). It is a sector, which provides livelihoods to millions of households. It is also a storehouse of traditional skills, heritage, and a carrier of heritage and culture. The various policy documents of the Government have also highlighted the importance of textile sector with regard to generating formal and productive jobs, having potential for broader social transformation and generating exports and growth. This is also a sector, which is undergoing a huge churn due to automation, digital printing and the relentless rise of e-commerce. All these developments may completely change the face of this industry.

Terry towels form an integral part of the home-textile segment. The demand for terry towels varies across the countries depending upon various factors like population, demographics, living style, economic status and its climatic conditions. In India, terry fabrics are manufactured mainly in decentralized handloom and power looms sectors. Most of terry fabric centers are situated around Chennai, Panipat, and Sholapur. However, terry fabrics are also manufactured in organized sector. But, the volume of production of terry fabrics in organized sector is much lesser than that of the production in decentralized sector. Until last decade, only 10-15% of terry fabric production was produced in organized sector. We are one of the prominent terry towel manufacturers in organized sector. Most of the organized sector units are engaged in catering to market of export and high-quality segment of domestic market, which covers mainly of hospitals and leisure industry.

### **C. Opportunities and Threats and Future outlook Global Economic Conditions**

According to IMF report on world GDP Growth 2019, the GDP Growth of the world is expected to grow at 3.6%. The GDP growth of India is expected to grow at 7.7% and that of US at 1.7%. During the last six months, the world has witnessed a new phenomenon of US China trade war which has seriously threatened the world GDP growth rate. The fate of its positive settlement is hanging on fire till now although efforts by leaders of both the countries are still continuing to find an amicable solution. Another big development has been the imposition of sanctions on Iran by US in this year but thanks to the adequate supplies of crude oil by US and determination of US president not to let the oil prices overshoot beyond reasonable levels, the oil prices have been restricted in the range of 55 to 70 USD. This has put a cap on the escalation of crude related costs on the industrial products.

## **ASHNOOR TEXTILE MILLS LIMITED**

### **U.S.A Economic Conditions**

US consumer confidence index, employment population ratio, personal consumption expenditure and new home sales have been showing an improving trend. US retail sales have been at all time high of USD 5.16 trillion in 2018 which is expected to increase to 5.32 trillion USD in 2019 and 5.48 trillion in 2020 and is further expected to show a gradual growth over the next few years. Although US is directly involved in trade war, but ball is primarily in US court in the matter and the pledge of US president to uplift the US economy needs to be given the due significance. Since the company is predominantly exporting its products to U.S.A, its fortunes are linked with the growth scenario in that country. It is felt that US is best placed in the world in the present competitive age.

### **Indian Economic scenario**

The Indian economy has been witnessing growth of 7% plus and has emerged as the fastest growing major economy in the world. India is emerging as one of the best performing economies of the world. But country is facing temporary slowdown in the first half of 2019 caused by challenging world scenario, NBFC Crisis and auto slowdown. In the RBI Credit policy of August 2019, the GDP growth for FY 2019-20 has been slashed to 6.9% . Looking forward, the silver lining lies in the fact that the growth rate has been slashed for the first half of the year but GDP in the second half has been projected at 7.3 to 7.5% . The rate of interest is on a downward slope and inflation is under control. The Government has adopted favorable policies for textile industry in the country which is providing huge employment apart from generating huge foreign exchange earnings. The pledge of our Prime Minister to make India a 5 trillion economy in next five years coupled with the possible stimulus and the low rates of interest argue well for the positive future of the country.

### **Cotton Yarn**

Cotton yarn is the main raw material for the products manufactured by the company. India is the largest producer of cotton as well as net exporter of cotton and cotton yarn. This gives a competitive edge to the Indian exporters of cotton products. The year started with high cotton prices of around Rs. 40,000-48,000 per candy and the domestic as well as international cotton prices continue to be at higher levels with occasional variations. But the prices have started to cool down and likely to stabilize in the range of 40000 to 45000. The prices and its variation is normal and absorbable by the company.

### **Position of India's towel industry in the global market**

Traditionally India has enjoyed a competitive edge in the terry towel industry due to cheap and abundant availability of cotton yarn and other competitive costs. According to Office of Textiles and Apparels , U.S.A., the share of terry towels imported by US from India constituted 39% in 2018 and the share has increased from 30% in 2009. Against this, the share of China has decreased from 23% to 20%. The share of Pakistan decreased from 22% to 20%. The European Market is less preferred by Indian exporters due to concessional import duty access given by them to Pakistan, Bangladesh and Turkey. The towel industry is partially in the nature of FMCG goods and comparatively insulated from slowdown. On assessment of all the favorable and unfavorable factors, the overall terry towel industry is expected to continue to grow at the existing pace.

## **ASHNOOR TEXTILE MILLS LIMITED**

### **Foreign Exchange**

India's currency has faced considerable volatility in the last two years vis-a-vis the US dollar. The net result is rupee depreciation over this period and looks to stabilize in the range of 70 to 72 in 2019. This is a positive for exporting companies like us depreciating rupee adds to the bottom lines. The company adopts the policy of partial hedging the currencies to achieve a balance between protection of forex earnings and taking the advantage of depreciating rupee.

### **GST and Export Incentives**

In 2017, GST was introduced in the country which was a major change. Although in the initial months there were bottlenecks and disruptions but now the situation has normalized. The government has been very helpful in introducing liberal incentives in form of MEIS, ROSCLT, duty drawbacks and GST refund. On the net basis, the management feels that the company is in an advantageous position post introduction of GST as far export incentives are concerned.

### **D. Segment Reporting**

The company has only one segment of activity namely-Terry Towels, in accordance with the definition of "Segment" as per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The performance for the same has been discussed details in this report.

### **E. Risks and Concern**

The current global scenario marked by slowdown threat is major concern for the industry. So, continuance of favorable textile policies by the Government of India to counter the global competition is utmost desirable. volatility of exchange rate coupled with competitive currency war is another concern although the Indian rupee has traditionally been depreciating over the years which is a rather positive for terry towel export industry.

Very recently we have witnessed an era of trade wars initiated by US administration. Although, it is primarily targeted towards China, there is always a risk of India also being one of the targets.

Lastly, the vulnerability of the Indian economy to the risk of potential outflows and rise of crude remain a big macro risk.

### **F. Internal Control Systems and their Adequacy**

The Company maintains adequate systems of internal controls to ensure that all assets are safeguarded against loss from unauthorized use or disposition. The Company's policies, procedures and guidelines are in place to ensure that all the transactions are authorized, recorded and reported correctly. The Company has an internal audit system commensurate to its size and the nature of its business. The Company also has adequate procedures for internal financial controls to detect and prevent frauds and to protect the Company's resources. The financial statements are prepared in accordance with the accounting standards issued by Institute of Chartered Accountants of India.

### **G. Financial and Operational Performance**

During the year under review, Total Income increased from Rs.88.86 crore to Rs 128.69 crore. Similarly, the net profit after tax increased from Rs 2.18 crore to Rs.4.30 crore.

## **ASHNOOR TEXTILE MILLS LIMITED**

The company has excelled on all the fronts in this year. In fact, this year has been a transformational one wherein we have achieved 45% increase in revenue. This was possible due to diversification of exports to new buyers and the increased levels are sustainable. The company has adopted cost control measures and enjoyed the increased economies of scale.

Similarly, the balance sheet of the company has strengthened as the company has ploughed back all the cash accruals. Accordingly, it has witnessed an all around improvement in the financial indicators namely net worth, debt equity ratio, net working capital and current ratio.

In the current year, the things look to be more promising. Overall, the company foresees a better future on operational and financial fronts.

### **H. Human Resources/Industrial Relations and Number of people employed during the year**

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

### **I. Accounting Treatment**

The financial statements have been prepared to comply with the Ind-AS including accounting standard notified under the provisions of the Companies Act, 2013.

### **Disclaimer**

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

**Sd/-**  
**Suneel Gupta**  
**Managing Director**  
**DIN-00052084**

**Sd/-**  
**Sangeeta Gupta**  
**Director**  
**DIN-00052121**

**Place: Gurugram**  
**Date: May 27, 2019**

# ASHNOOR TEXTILE MILLS LIMITED

Annexure-6

## **Secretarial Compliance Report of Ashnoor Textile Mills Limited for the financial year ended March 31, 2019**

We, Anil Arora & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by Ashnoor Textile Mills Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2019 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, includes:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **{Not applicable as the Company has not bought back any of its securities during review period}**;
- (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **{Not applicable as the Company has not granted share based benefits to its employees during the review period}**;
- (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **{Not applicable as the Company has not issued any debt securities during the review period}**;
- (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **{Not applicable as the Company has not issued any Non-convertible and Redeemable Preference Shares during the review period}**;
- (i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

## ASHNOOR TEXTILE MILLS LIMITED

Serial Number	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NONE			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Serial Number	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NONE				

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Serial Number	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... <i>(The years are to be mentioned)</i>	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NOT APPLICABLE				

**For Anil Arora & Associates  
Company Secretaries**

Sd/-

**Anil Kumar Arora  
Proprietor**

**FCS Number: 5695**

**CP Number: 4775**

**Place: New Delhi**

**Date: May 27, 2019**



# **ASHNOOR TEXTILE MILLS LIMITED**

**Annexure-7**

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the MCA Portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Serial Number</b>	<b>Name of the Director</b>	<b>Designation of Director</b>	<b>DIN</b>	<b>Date of Appointment in the Company</b>
1	Suneel Gupta	Managing Director	00052084	21/01/1984
2	Sangeeta Gupta	Whole time Director	00052121	01/05/2011
3	Piyush Gupta	Non-Executive Independent Director	00125678	30/04/2008
4	Anil Aggarwal	Non- Executive Independent Director	00224118	01/10/2015
5	Abhinav Gupta	Whole time Director	02766867	01/10/2009
6	Noor Gupta	Non-Executive Director	03611790	09/12/2017
7	Sanjay Arora	Non- Executive Independent Director	07815311	01/06/2017
8	Divya Agarwal	Non- Executive Independent Director	08016384	09/12/2017

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Anil Arora & Associates**  
**Company Secretaries**

Sd/-  
**Anil Kumar Arora**  
**Proprietor**  
FCS Number: 5695  
CP Number: 4775

**Place: New Delhi**  
**Date: May 27, 2019**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of Ashnoor Textile Mills Limited (“**the Company**”), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the statement of Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity) and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change 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 Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

## **ASHNOOR TEXTILE MILLS LIMITED**

### **Auditor's Responsibility for the Audit of the Financial Statements**

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 financial statements.

Our responsibility is to express an opinion on these financial statements based on our audit.

### **Report on Other Legal and Regulatory Requirements**

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 Companies Act 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (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 statements as referred to in Note 4.1 and Note 15.1 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR AGARWAL & GUPTA**

**Chartered Accountants**

**(Registration Number: 017621C)**

**Sd/-**

**HEMENDRA KUMAR GUPTA**

**Partner**

**Membership Number: 090841**

**Place: New Delhi**

**Date: May 27, 2019**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **ANNEXURE TO THE AUDITORS' REPORT**

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Ashnoor Textile Mills Limited on the accounts of the company for the year ended March 31, 2019**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, all Immovable properties are held in the name of the company.
- (ii) (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at the end of the year by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) As explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and Therefore, the provisions of Clause 3(iii)[(a),(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
- (iv) The company has not given any loans, guarantees, and security according to provisions of section 185 and 186 of the Companies Act, 2013: and therefore, the provision of Clause 3(iv) of the said Order is not applicable to the Company.
- (v) Based on our scrutiny of the company's records and according to the information and explanation provided by the management, in our opinion the Company has not accepted any deposits from the public within the meaning of Rule 2 of the Companies (Acceptance of Deposits) Rules, 2014.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- (vii) In respect of statutory dues:
  - (a) According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance (ESI), Investor Education and Protection Fund, Income Tax, Tax Deducted at Sources, Tax Collected at Source, Sales Tax, Value Added Tax, Wealth Tax,

## **ASHNOOR TEXTILE MILLS LIMITED**

Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.

- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax and other material statutory dues in arrears /were outstanding as at 31 March, 2019 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (ix) The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(ix) of the Order are not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and disclosed in Note No -29 of Financial Statements for the year ended March 31, 2019.
- (xiv) During the year the Company has allotted 1,000,000 equity shares along with 10,00,000 Convertible Share Warrant. Out of which the Company has converted 750,000 Convertible Share Warrant into equity shares. Total no of 17,50,000 equity shares as preferential allotment to four parties and companies covered in the register maintained under Section 301 of the Act during the year as per the provisions of (xiv) of the Order.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR AGARWAL & GUPTA**  
**Chartered Accountants**  
**(Registration Number: 017621C)**

**Sd/-**  
**HEMENDRA KUMAR GUPTA**  
**Partner**  
**Membership Number: 090841**  
**Place: New Delhi**  
**Date: May 27, 2019**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **ANNEXURE A TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of Ashnoor Textile Mills Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for the Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

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

## **ASHNOOR TEXTILE MILLS LIMITED**

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Control over Financial Reporting**

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

### **Opinion**

In our opinion, the company has, in all material respects, an adequate the internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR AGARWAL & GUPTA**

**Chartered Accountants**

**(Registration Number: 017621C)**

**Sd/-**

**HEMENDRA KUMAR GUPTA**

**Partner**

**Membership Number: 090841**

**Place: New Delhi**

**Date: May 27, 2019**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **BALANCE SHEET AS AT MARCH 31, 2019**

<b>PARTICULARS</b>	<b>NOTE NUMBER</b>	<b>As At 31-03-2019 ₹</b>	<b>As At 31-03-2018 ₹</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	2	240,323,979	244,622,412
(b) Financial Assets			
(i) Investments	3	3,916,095	2,827,238
(c) Other Non Current Assets	4	18,558,883	18,038,883
<b>Current Assets</b>			
(a) Inventories	5	233,270,009	204,384,428
(b) Financial Assets			
(i) Trade Receivables	6	336,654,179	237,590,627
(ii) Cash and Cash Equivalents	7	27,342,677	28,414,766
(d) Other Current Assets	8	98,138,159	109,927,989
<b>Total Assets</b>		<b>958,203,981</b>	<b>845,806,343</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	9	124,895,036	107,395,036
(b) Amount Received Against Share Warrant	10	1,375,000	-
(b) Other Equity	11	198,446,696	136,017,640
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	45,758,149	59,684,978
(b) Provisions	13	6,459,963	6,315,102
(c) Deferred Tax Liability (Net)	14	24,034,730	27,236,029
(d) Other Non-Current Liabilities	15	2,205,076	43,113,198
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	409,325,861	340,216,440
(ii) Trade Payables	17	105,274,513	93,180,732
(b) Other Current Liability	18	26,478,271	16,502,978
(c) Provisions	19	13,950,686	16,144,210
<b>Total Liabilities</b>		<b>958,203,981</b>	<b>845,806,343</b>
<b>Notes on Financial Statement</b>	<b>2 to 34</b>		
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>As per our report of even date attached</b>		<b>For Ashnoor Textile Mills Limited</b>	
<b>For Agarwal &amp; Gupta</b>	<b>Sd/-</b>	<b>Sd/-</b>	
<b>Chartered Accountants</b>	<b>SUNEEL GUPTA</b>	<b>SANGEETA GUPTA</b>	
	<b>Director</b>	<b>Director</b>	
<b>Sd/-</b>	<b>DIN-00052084</b>	<b>DIN-00052121</b>	
<b>HEMENDRA KUMAR GUPTA</b>			
<b>Partner</b>	<b>Sd/-</b>	<b>Sd/-</b>	
<b>Membership Number: 090841</b>	<b>SANJANA TONDON</b>	<b>GIRISH SINGH ADHIKARI</b>	
<b>Place: New Delhi</b>	<b>Company Secretary</b>	<b>Chief Finance Officer</b>	
<b>Date: May 27, 2019</b>	<b>ACS No.: A25682</b>	<b>PAN-AEPPA9502R</b>	



# **ASHNOOR TEXTILE MILLS LIMITED**

## **STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

<b>PARTICULARS</b>	<b>NOTE NUMBER</b>	<b>Year Ended March 31, 2019 ₹</b>	<b>Year Ended March 31, 2018 ₹</b>
<b>INCOME</b>			
(I) Revenue from Operations			
(a) Sale of Products	20	<b>1,283,788,894</b>	883,283,198
(b) Sale of Service		<b>1,654,356</b>	-
(II) Other Income	21	<b>1,497,412</b>	5,338,888
<b>Total Income</b>		<b>1,286,940,662</b>	888,622,085
<b>(III) Expenses</b>			
(a) Cost of Material Consumed	22	<b>1,024,889,631</b>	728,897,542
(b) Purchase of Stock-in-Trade	23	<b>26,863,941</b>	6,551,329
(c) Change in Inventory of finished, work-in-progress and stock-in-trade	24	<b>(29,122,404)</b>	(32,682,978)
(d) Employee Benefit Expenses	25	<b>23,571,248</b>	30,732,433
(e) Finance Costs	26	<b>62,406,974</b>	16,136,586
(f) Depreciation Expenses	2	<b>23,358,763</b>	22,279,497
(g) Other Expenses	27	<b>105,693,429</b>	83,601,479
<b>Total Expenses</b>		<b>1,237,661,584</b>	855,515,889
<b>(IV) Profit Before Exceptional and     Extraordinary Items and Tax</b>		<b>49,279,079</b>	33,106,197
(V) Extra Ordinary Items	28	<b>(251,322)</b>	3,728,678
<b>(VI) Profit Before Tax</b>		<b>49,027,757</b>	36,834,875
(VII) Tax Expenses			
(a) Current Tax		<b>(10,800,000)</b>	(10,598,946)
(b) Deferred Tax		<b>3,201,299</b>	(4,440,550)
<b>(VIII) Profit For the Year</b>		<b>41,429,056</b>	21,795,378
(IX) Earning Per Equity Share			
(a) Basic Earning Per Share		<b>3.32</b>	2.03
(b) Diluted		<b>3.32</b>	2.03
(c) Weighted Average Number of Equity Shares		<b>12,495,849</b>	10,745,849
(X) Notes on Financial Statements	2 to 34		
(XI) Significant Accounting Policies	1		
<b>As per our report of even date attached</b>		<b>For Ashnoor Textile Mills Limited</b>	
<b>For Agarwal &amp; Gupta Chartered Accountants</b>	<b>Sd/- SUNEEL GUPTA Director DIN-00052084</b>	<b>Sd/- SANGEETA GUPTA Director DIN-00052121</b>	
<b>Sd/- HEMENDRA KUMAR GUPTA Partner Membership Number: 090841 Place: New Delhi Date: May 27, 2019</b>	<b>Sd/- SANJANA TONDON Company Secretary ACS No.: A25682</b>	<b>Sd/- GIRISH SINGH ADHIKARI Chief Finance Officer PAN-AEPPA9502R</b>	

# ASHNOOR TEXTILE MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

S.No.	PARTICULARS	31-03-2019 ₹	31-03-2018 ₹
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) Before Tax and Extraordinary Items	49,279,078.62	33,106,196.66
	<b>Adjustments for :</b>		
	Depreciation	23,358,763.00	22,279,497.00
	Other Income	(31,786,058.37)	13,934,863.58
	Interest Paid	29,795,875.87	27,599,368.54
	<b>Operating Profit Before Working Capital Changes</b>	<b>134,219,775.86</b>	<b>69,050,198.62</b>
	<b>Adjustments for:</b>		
	Trade and Other Receivables	(87,793,721.71)	(104,568,742.55)
	Inventories	(28,885,581.47)	(30,463,916.35)
	Trade Payments	(24,089,009.93)	13,005,582.40
	<b>Cash Generated from Operations</b>	<b>(6,548,537.25)</b>	<b>(52,976,877.88)</b>
	Interest Paid	29,795,875.87	27,599,368.54
	Net Gain/Loss on Foreign Currency Transactions	(30,300,312.59)	11,462,783.00
	Income and Fringe Benefit Tax	7,598,701.00	15,039,496.22
	<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(74,243,426.71)</b>	<b>(84,152,959.64)</b>
	Extraordinary Items	(320,174.00)	(1,430,000.00)
	<b>Net Cash from Operating Activities</b>	<b>(74,563,600.71)</b>	<b>(85,582,959.64)</b>
<b>B.</b>	<b>CASH FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	19,127,613.28	18,809,794.91
	Sale of Fixed Assets	136,136.00	644,990.00
	Investments	(1,088,857.00)	(540,853.00)
	Interest and Other Income	(1,485,745.78)	2,472,080.58
	<b>Net Cash from Investing Activities</b>	<b>(21,566,080.06)</b>	<b>(16,233,577.33)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Issue of Share Capital/Share Application	17,500,000.00	-
	Proceeds from Long Term Borrowings	(13,926,829.06)	14,831,291.00
	Proceeds from Other Borrowings	69,109,421.00	61,304,784.40
	Public Issue and Other Expenses	-	-
	Proceeds from Issue of Share Warrant and Premium	22,375,000.00	-
	<b>Net Cash from Financing Activities</b>	<b>95,057,591.94</b>	<b>76,136,075.40</b>
<b>D.</b>	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,072,088.83)</b>	<b>(25,680,461.57)</b>
	Opening Balance of Cash and Cash Equivalents	28,414,766.07	54,095,227.64
	Closing Balance of Cash and Cash Equivalents	27,342,677.24	28,414,766.07

For and on behalf of the Board

Sd/- SUNEEL GUPTA Director DIN-00052084	Sd/- SANGEETA GUPTA Director DIN-00052121	Sd/- GIRISH SINGH ADHIKARI Chief Finance Officer PAN-AEPPA9502R	Sd/- SANJANA TONDON Company Secretary ACS No.: A25682
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### AUDITORS' CERTIFICATE

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

We have examined the attached cash flow statement of Ashnoor Textiles Mills Limited for the year ended March 31, 2019. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

FOR AGARWAL & GUPTA  
Chartered Accountants  
(Registration Number: 017621C)  
Sd/-  
HEMENDRA KUMAR GUPTA  
Partner  
Membership Number: 090841

Place: New Delhi  
Date: May 27, 2019

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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### **NOTE NO – 1**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Basis of Preparation and Presentation**

- a) The financial statements have been prepared on the historical cost basis
- b) The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.
- c) Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".
- d) These financial statements are the Company's first Ind AS standalone financial statements. Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

##### **2. Property, plant and equipment**

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

##### **3. Depreciation**

- a) Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013..
- b) Depreciation on additions to fixed asset during the year has been provided on pro rata basis from the date of such addition.
- c) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- d) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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- e) Depreciation on amount, added to/reduced from the cost of asset consequent to increase/decrease in liability towards creditors for capital goods, due to change in foreign exchange rate, is provided prospectively for the remaining life of the assets at the rates on which concerned asset has been depreciated so far.

#### **4. Impairment of Assets**

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

#### **5. Finance Cost**

- a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- b) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
- c) All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

#### **6. Inventories**

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

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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### **7. Investments**

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

### **8. Retirement Benefits**

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

### **9. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **10. Revenue Recognition**

- a) Sale is recorded on FOB value exclusive of freight, insurance and excise duty recovered from the customers. Sale is recognized on the date of dispatch of goods from factory after verification by the Excise Authorities from the Bonded Warehouse, which is located within the premises of the factory.
- b) Export Sale is recorded at the foreign currency exchange rate prevailing on the date of the transaction.
- c) Sales are recorded on invoice value net of discounts and rebates.

### **11. Foreign Currency Transactions**

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

### **12. Taxation**

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

# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### NOTE NUMBER - 2

#### FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01-04-2018 Rupees	Additions during the year Rupees	Adjustments during the year Rupees	As at 31-03-2019 Rupees	As at 01-04-2018 Rupees	For 01-04-2018 Rupees	Adjustments During the year Rupees	As at 31-03-2019 Rupees	As at 31-03-2018 Rupees
<b>Tangible Assets</b>									
Land	8,557,120.00	-	-	8,557,120.00	-	-	-	8,557,120.00	8,557,120.00
Factory Building	107,136,996.24	-	-	107,136,996.24	59,854,160.24	3,243,658.00	-	44,039,178.00	47,282,836.00
Office Building	2,558,130.00	-	-	2,558,130.00	1,800,674.00	87,808.00	-	669,648.00	757,456.00
Water Treatment Plant Building	-	203,490.00	-	203,490.00	-	38,663.00	-	164,827.00	-
Electric Installation	6,469,995.00	483,404.00	-	6,953,399.00	2,045,286.00	648,125.00	-	4,259,988.00	4,424,709.00
Plant and Machinery	507,246,676.44	16,386,941.28	(4,000,000.00)	519,633,617.72	341,663,987.97	16,040,097.00	(4,000,000.00)	165,929,532.75	165,582,688.47
ETP Plant	2,243,785.00	-	-	2,243,785.00	700,654.00	213,160.00	-	1,329,971.00	1,543,131.00
Generator Set	9,004,351.00	-	-	9,004,351.00	8,574,232.00	70,895.00	-	359,224.00	430,119.00
Furniture and Fixture	998,483.00	105,949.00	-	1,104,432.00	248,845.00	104,923.00	-	750,664.00	749,638.00
Office Equipment	898,525.00	54,050.00	(367,005.00)	585,570.00	555,206.00	111,259.00	(330,129.00)	249,234.00	343,319.00
Computers	597,115.00	490,101.00	(315,975.00)	771,241.00	427,218.00	201,101.00	(285,567.00)	428,489.00	169,897.00
Vehicles	20,955,021.00	6,824,879.00	-	27,779,900.00	11,594,723.07	2,599,074.00	-	13,586,102.93	9,360,297.93
<b>Grand Total</b>	<b>666,666,197.68</b>	<b>24,548,814.28</b>	<b>(4,682,980.00)</b>	<b>686,532,031.96</b>	<b>427,464,986.28</b>	<b>23,358,763.00</b>	<b>(4,615,696.00)</b>	<b>240,323,978.68</b>	<b>239,201,211.40</b>
<b>Previous year</b>	<b>658,852,604.68</b>	<b>13,388,593.00</b>	<b>(5,575,000.00)</b>	<b>666,666,197.68</b>	<b>415,274,176.78</b>	<b>22,279,497.00</b>	<b>(10,088,687.50)</b>	<b>239,201,211.40</b>	<b>243,578,427.90</b>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

PARTICULARS	As At	As At
	31-03-2019	31-03-2018
	₹	₹
<b>3 NON CURRENT INVESTMENTS</b>		
<b>Long Term Trade Investments</b>		
<b>Investment in Equity Instruments: Quoted at Cost</b>		
8,325 (9,545) Equity Shares of Anant Raj Limited	<b>616,095</b>	740,045
BSL Limited	-	387,193
Investments in Unit Link Plan	<b>3,300,000</b>	1,700,000
	<b>3,916,095</b>	2,827,238
<b>Market Value of Quoted Investments</b>	<b>279,304</b>	1,038,216
<b>Net Asset Value of Investment in Mutual Fund/ULP</b>	<b>3,300,000</b>	1,700,000
<b>4 LONG TERM LOANS AND ADVANCES</b>		
<b>(Unsecured and Considered Good)</b>		
Security Deposits	<b>2,876,093</b>	2,356,093
Other Loans and Advances ( <i>Refer Note No 4.1, 4.2</i> )	<b>15,682,790</b>	15,682,790
	<b>18,558,883</b>	18,038,883
<b>4.1</b> Excise demand of Rs. 50,000,000/- out of which Rs. 10,000,000/- has been paid under protest to the Excise Department. Company has filed an appeal in Central Excise and Service Tax Appellate Tribunal against the order of Commission Adjudication - Excise Department. As per Order No: A/91082-91115/2017 dated 25/10/2017 passed by the Tribunal under section 35-C(1) of the Central Excise and Salt Act, 1994 said that all the parties shall get notice from the common adjudicating authority by April 2018 and readjudication shall be completed by June 30, 2018.		
<b>4.2</b> Following are the contingent liabilities, which has not been provided for:		
a) Bank Guarantee of Rs. 4,700,000/- issued to Assistant Commissioner, Central Excise, for deboning of the Unit.		
b) Excise Duty of Rs. 50,000,000/- out of which Rs. 10,000,000/- has been paid in protest for filing the appeal with the Tribunal.		
<b>5 INVENTORIES</b>		
<b>(As certified by the management and valued at lower of cost and net realizable value)</b>		
a) Raw Materials	<b>47,043,627</b>	45,330,203
b) Stock-in-progress	<b>84,556,563</b>	38,139,239
c) Finished Goods	<b>88,454,643</b>	106,069,441
d) Rejected Stock	<b>5,423,326</b>	5,103,448
e) Stores and Spares	<b>7,791,850</b>	9,742,097
	<b>233,270,009</b>	204,384,428

# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As At	As At
	31-03-2019	31-03-2018
	₹	₹
<b>6 TRADE RECEIVABLES</b>		
<b>(Unsecured and Considered Good)</b>		
Outstanding for a period less than six months from the date they are due for payment	<b>326,989,249</b>	228,961,921
Outstanding for a period More than six months from the date they are due for payment	<b>9,664,930</b>	8,628,706
	<b>336,654,179</b>	<b>237,590,627</b>
<b>6.1</b> Confirmation from customers were not received and their balances are shown as appearing in the accounts.		
<b>7 CASH AND CASH EQUIVALENTS</b>		
<b>a) Balances with Banks:</b>		
Current Accounts	<b>6,256,001</b>	10,058,554
Margin Money	-	8,284,401
Bank Deposits	<b>19,208,904</b>	8,461,648
<b>b) Cash on Hand</b>	<b>1,877,772</b>	1,610,163
	<b>27,342,677</b>	<b>28,414,766</b>
<b>8 OTHER CURRENT ASSETS</b>		
Advance Tax and TDS	<b>10,102,038</b>	4,206,762
Insurance Claim Receivable	<b>740,820</b>	30,312,549
Other Loans and Advances	<b>86,959,901</b>	75,408,678
Preliminary Expenses To the Extent not Writtrn Off	<b>335,400</b>	-
	<b>98,138,159</b>	<b>109,927,989</b>



# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

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

PARTICULARS	As At	As At
	31-03-2019	31-03-2018
	₹	₹
<b>9 SHARE CAPITAL</b>		
<b>AUTHORIZED</b>		
12,750,000 (10,750,000) Equity Shares of Rs. 10/- each *	<b>127,500,000</b>	107,500,000
* The Company has increased its Authorised Capital by Rs. 2,00,00,000/- on dated September 29, 2018 by passing Ordinary Resolution.		
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,459,849 (10,745,849) Equity Shares of Rs. 10/- each	<b>124,958,490</b>	107,458,490
Calls in Arrears	<b>(63,454)</b>	(63,454)
	<b>124,895,036</b>	107,395,036

On October 11, 2018, the Company has allotted 10 Lacs Equity shares of Rs. 10 each at a premium of Rs. 12 each on private placement and on March 26, 2019, issued 750,000 Equity shares on conversion of Convertible Share Warrants of Rs. 10 each

### **9.1 The reconciliation of shares outstanding is set out below:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	<b>10,745,849</b>	<b>107,458,490</b>	10,745,849	107,458,490
Shares Issued during the year	<b>1,750,000</b>	<b>17,500,000</b>	-	-
Shares outstanding at the end of the year	<b>12,495,849</b>	<b>124,958,490</b>	10,745,849	107,458,490

### **9.2 Rights, preferences and restrictions attached to equity shares**

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

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

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

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

### **9.3 The details of Share Holders holding more than 5% shares:**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Suneel Gupta	4,261,841	34.11%	3,461,841	27.70%
Mrs. Sangeeta Gupta	2,986,172	23.90%	2,586,172	20.70%
Mr. Abhinav Gupta	1,536,000	12.29%	1,186,000	9.49%

### **9.4 Details of Calls in Arrears**

Unpaid Calls	31-03-2019	31-03-2018
By Officers	63,454	63,454
<b>Total</b>	<b>63,454</b>	<b>63,454</b>

9.5 The Company has not issued any equity shares for consideration other than cash in last five years immediately preceding the reporting date.

9.6 The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding March 31, 2019.

### **10 AMOUNT RECEIVED AGAINST SHARE WARRANT**

Share Application received against Share Warrant	5,500,000	-
Application Money Utilized to Issue of 750,000 Equity Share	<u>(4,125,000)</u>	-
	<b>1,375,000</b>	-

The Company has received of Rs. 55,00,000/- as 25% Up Front Money against 10,00,000 Convertible Share Warrants on October 11, 2018, out of which 750,000 Convertible Share Warrants are converted into Share Capital and rest amount of Rs. 13,75,000/- has been stand for future conversion of 250,000 Convertible Share Warrants

### **11 RESERVES AND SURPLUS**

#### **(a) Security Premium**

Opening Balance	-	-
Addition due to Issue of Shares during the Period	21,000,000	-
<b>Closing Balance</b>	<b>21,000,000</b>	-

#### **(b) Capital Reserves**

Opening Balance	3,233,969	3,233,969
Add: Current Year Transfer	-	-
<b>Closing Balance</b>	<b>3,233,969</b>	<b>3,233,969</b>

#### **(c) Surplus**

Opening balance	132,783,671	110,988,293
Add: Net Profit for the current year	41,429,056	21,795,378
<b>Closing Balance</b>	<b>174,212,727</b>	<b>132,783,671</b>
<b>Grant Total (a+b+c)</b>	<b>198,446,696</b>	<b>136,017,640</b>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

PARTICULARS	As At 31-03-2019 ₹	As At 31-03-2018 ₹
<b>12 LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>From Bank -</b>		
- Term Loan (Refer Note No 12.2)	6,429,347	-
- Vehicle Loan (Refer Note No 12.3)	290,897	
<b>UNSECURED</b>		
- from Directors (Refer Note No. 12.4)	39,037,905	48,404,959
- from Others	-	11,280,019
	<b>45,758,149</b>	<b>59,684,978</b>
<b>12.1 Schedule maturity of Long-term borrowings:</b>		
<b>Current Maturity (Refer Note No 12.2)</b>		
Term Loans	10,491,181	2,507,132
Vehicle Loan	73,954	
	<b>10,565,135</b>	<b>2,507,132</b>
<b>Non Current Maturity (Refer Note No 12.2)</b>		
Term Loans	6,429,347	-
Vehicle Loan	290,897	
	<b>6,720,244</b>	-
Current maturity of long term borrowings are disclosed under "Other Current Liability" in Note Number -18 and Non Current maturity under "Secured Term Loan" in Note Number -12		
<b>12.2</b>	Term Loan-III of is taken during the year from Bank of Baroda for purchase of Machinery, secured by charge against respective Machineries and are repayable in twelve monthly installments. Outstanding loan amount as on March 31, 2019 is Rs. 169.21 Lakh and Previous Tem Loan -II has been fully re-paid	
<b>12.3</b>	Vehicle Loan taken from Bank of Baroda against Car and payable in 48 Equated Monthly Installments.	
<b>12.4</b>	Unsecured loans have been taken from the directors at a simple rate of interest of 12% per annum on quarterly basis. The loan is repayable after five years from the date of the agreement. In case of default on repayment, simple interest @ 12% per annum for the period of default is payable	
<b>13 LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
(a) Gratuity (unfunded)	2,230,636	3,646,085
(b) Bonus	2,788,624	1,420,793
(c) Leave Encashment (unfunded)	1,440,703	1,248,224
	<b>6,459,963</b>	<b>6,315,102</b>

# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As At	As At
	31-03-2019	31-03-2018
	₹	₹
<b>14 DEFERRED TAX LIABILITY (NET)</b>		
Difference of WDV of fixed assets between books and income tax	(89,541,037)	(89,848,323)
Disallowances under section 43B	3,147,328	1,705,835
<b>Net Temporary Difference</b>	<b>(86,393,709)</b>	<b>(88,142,488)</b>
Effective Rate of Income Tax	27.82%	30.90%
<b>Deferred Tax Assets (Liability)</b>	<b>(24,034,730)</b>	<b>(27,236,029)</b>
Less: Charged in Previous Year	(27,236,029)	(22,795,479)
<b>Net Deferred Tax Assets (Liability)</b>	<b>3,201,299</b>	<b>(4,440,550)</b>
<b>15 OTHER NON CURRENT LIABILITIES</b>		
Others ( <i>Refer Note No 15.1</i> )	2,205,076	2,205,076
Buyers Credit	-	40,908,122
	<b>2,205,076</b>	<b>43,113,198</b>
<b>15.1</b> Interest on late payment of Rs. 2,684,738/- (2017-2018 – Rs. 2,684,738/-) and Rs. 18,725/- (2017-2018 - Rs. 18,725/-) has been levied under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Appeal has been filed against this demand in the Court and provision has been created for this liability in the books of accounts. Out of this demand, Rs. 498,387/- has been deposited with the authorities under protest and adjusted with this provision amount.		
<b>16 SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>- from Banks</b>		
(a) Packing Credit Limits ( <i>Refer Note No 16.1</i> )	222,231,009	170,797,704
(b) Foreign Bills Discounted ( <i>Refer Note No 16.1</i> )	187,094,852	169,418,736
	<b>409,325,861</b>	<b>340,216,440</b>
<b>16.1</b> Packing Credit, Foreign Bills Limits, Gold Card and Derivatives (Forward Contract) are availed from Bank of Baroda and are secured by hypothecation of present and future stock of raw materials, stock in progress, finished goods, stores and spares, books debts and outstanding receivables		
<b>17 TRADE PAYABLES</b>		
Other than Micro, Small and Medium Enterprises	105,274,513	93,180,732
	<b>105,274,513</b>	<b>93,180,732</b>
<b>17.1</b> There are no amount due to the suppliers covered under the Micro, Small and Medium Act, 2006. This information takes into account only those suppliers who have responded to the inquiries made by the Company for this purpose. Refer Note Number -29.		

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

<b>PARTICULARS</b>	<b>As At 31-03-2019 ₹</b>	<b>As At 31-03-2018 ₹</b>
<b>18 OTHER CURRENT LIABILITIES</b>		
Income Received in Advance	28,609	1,051,515
Current Maturities of Long Term Debt	10,565,135	2,507,132
Other Payables	15,884,527	12,944,331
	<u>26,478,271</u>	<u>16,502,978</u>
<b>Other Payables Include:</b>		
Expenses Payable	13,654,934.05	10,989,833.01
Duties and Taxes	2,229,593.00	1,954,498.00
<b>19 SHORT TERM PROVISION</b>		
<b>(a) Provision for Employee Benefits</b>		
(i) Salary and Reimbursement	2,445,184	5,023,193
(ii) Employees Contribution To Provided Fund	404,661	387,906
(iii) Employees Contribution to ESI	300,841	134,165
<b>(b) Others</b>		
(i) Income Tax	10,800,000	10,598,946
	<u>13,950,686</u>	<u>16,144,210</u>
<b>20 REVENUE FROM OPERATION</b>		
<b>(a) Sale of products</b>		
- Export	1,134,408,840	749,759,968
- Domestic	77,050,307	71,502,900
<b>(b) Other Operating Revenues (Refer Note No- 20.1)</b>	72,329,747	62,020,330
	<u>1,283,788,894</u>	<u>883,283,198</u>
<b>20.1</b> Merchandise Exports from India Scheme (MEIS) has been recognized on cash basis when actual sale made to any other Exporter.		
<b>21 OTHER INCOME</b>		
(a) Net gain/(loss) on Sale of Investment	(316,310)	(2,957,105)
(b) Interest and Dividend	825,040	2,472,081
(c) Other Non Operating Income	988,682	5,823,912
	<u>1,497,412</u>	<u>5,338,888</u>
<b>21.1 Statement of Realized Profit/(Loss) on sale of Investments</b>		
Sale of investment (Equity) realized	(316,310)	(742,677)
Sale of investment (Derivatives) realized	2,310,786	(455,082)
	<u>1,994,476</u>	<u>(1,197,759)</u>
<b>22 COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed (Refer Note No 22.1)	670,376,258	485,397,571
Packing Material Consumed	49,107,018	31,645,186
Fuel Consumed	38,264,686	19,128,068
Dyes and Chemicals Consumed	91,574,966	51,022,828
Stores and Spares (Refer Note No 22.1)	15,857,883	18,934,978
Manufacturing Expenses	159,708,819	122,768,912
	<u>1,024,889,631</u>	<u>728,897,542</u>

# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As At	As At
	31-03-2019	31-03-2018
	₹	₹

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

Particulars	2018-2019	
	Amount	Percentage
<b>Raw Materials:</b>		
Imported	-	-
Indigenous	670,376,258	100.00%
<b>Stores and Spares:</b>		
Imported	1,680,959	10.60%
Indigenous	14,176,924	89.40%
Particulars	2017-2018	
	Amount	Percentage
<b>Raw Materials:</b>		
Imported	-	-
Indigenous	485,397,571	100.00%
<b>Stores and Spares:</b>		
Imported	6,873,764	36.00%
Indigenous	12,061,214	64.00%

### 22.2 IMPORTS (ON COST, INSURANCE AND FREIGHT BASIS)

Stores and Spares	1,680,959	6,873,764
	<u>1,680,959</u>	<u>6,873,764</u>

### 23 PURCHASE OF STOCK IN TRADE

Purchase of Towels	26,655,379	-
Bed sheet, Blanket and Rugs	208,562	6,551,329
	<u>26,863,941</u>	<u>6,551,329</u>

### 24 CHANGE IN INVENTORY OF FINISHED GOODS AND STOCK IN PROCESS

<b>Opening Stocks</b>		
Stock in Progress	38,139,239	58,597,098
Finished Goods	111,172,889	58,032,053
	<u>149,312,129</u>	<u>116,629,151</u>
<b>Closing Stocks</b>		
Stock in Progress	84,556,563	38,139,239
Finished Goods	93,877,969	111,172,889
	<u>178,434,532</u>	<u>149,312,129</u>
<b>Change in Inventory</b>	<u>29,122,404</u>	<u>32,682,978</u>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

<b>PARTICULARS</b>	<b>As At</b>	<b>As At</b>
	<b>31-03-2019</b>	<b>31-03-2018</b>
	<b>₹</b>	<b>₹</b>
<b>25 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Incentives	<b>22,626,829</b>	29,791,881
Company's Contribution to PF and ESI	<b>413,701</b>	388,519
Staff Welfare	<b>530,718</b>	552,033
	<b>23,571,248</b>	30,732,433
<b>26 FINANCIAL COST</b>		
Interest paid on Unsecured Loan	<b>5,542,805</b>	5,789,191
Interest on Term Loan and Working Capital	<b>17,874,151</b>	15,718,187
Net Loss on Foreign Currency Transactions	<b>30,300,313</b>	(11,462,783)
Loss on sale of investment (Derivatives Transaction)	<b>2,310,786</b>	-
Processing Charges and Bank Charges	<b>6,378,920</b>	6,091,990
	<b>62,406,974</b>	16,136,586
<b>27 OTHER EXPENSES</b>		
Clearing and Forwarding	<b>40,351,779</b>	38,294,756
Sales Promotion and Documentation	<b>38,649,400</b>	27,487,259
Travelling and Conveyance	<b>6,382,556</b>	4,377,354
Auditors' Remuneration	<b>100,000</b>	100,000
Electricity and Water Expenses	<b>360,064</b>	162,149
Rent, Rates and Taxes	<b>1,760,563</b>	530,891
Insurance	<b>1,547,665</b>	787,880
Vehicle Maintenance	<b>1,344,852</b>	749,158
Communication Expenditure	<b>1,900,195</b>	1,812,641
Fees and Subscription	<b>314,714</b>	380,485
Office Maintenance	<b>302,218</b>	359,932
Legal and Professional Charges	<b>5,739,399</b>	3,870,418
Other Office Expenses	<b>6,940,025</b>	4,688,557
	<b>105,693,429</b>	83,601,479
<b>28 EXTRA ORDINARY ITEMS</b>		
Prior Period Income /(Expenses)	<b>(320,174)</b>	(1,430,000)
Fixed Asset/Depreciation Written Back	<b>(67,284)</b>	4,513,688
Profit/(Loss) on Sale of Fixed Assets	<b>136,136</b>	644,990
	<b>(251,322)</b>	3,728,678

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

<b>PARTICULARS</b>	<b>As At 31-03-2019 ₹</b>	<b>As At 31-03-2018 ₹</b>
--------------------	-----------------------------------	-----------------------------------

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

<b>PARTICULARS</b>	<b>As At 31-03-2019</b>	<b>As At 31-03-2018</b>
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of accounting period	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006	-	-

### **30 EARNING PER SHARE**

#### **Basic and diluted Earning Per Share**

Profit After Tax	<b>41,429,056</b>	21,795,378
Number of Equity Shares	<b>12,495,849</b>	10,745,849
Face value per Equity Share (Rs.)	<b>10.00</b>	10.00
Basic Earning Per Share	<b>3.32</b>	2.03
Diluted Earning Per Share (Rs.)	<b>3.32</b>	2.03

There are no dilutive instruments issued by the company.

### **31 PAYMENT TO AUDITORS**

Audit Fee	<b>100,000</b>	100,000
	<b>100,000</b>	100,000

- 32** Expenditure incurred during construction period of Rs. 80,95 Lacs (Note 2) including opening balance of Capital work-in-progress of Rs. 54.21 have been capitalised and transferred to Rs. 78.91 Lacs in Water Treatment Plant (WTP) Account under Plant and Machinery and Rs. 2.03 Lacs transferred to WTP Building Account.



# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	As At 31-03-2019 ₹	As At 31-03-2018 ₹
<b>33 Related Party Disclosures:</b>		
<b>(a) Following are related parties:</b>		
<b>Key Management Personnel</b>		
Director - Mr. Suneel Gupta (Managing Director)		
Director- Mrs. Sangeeta Gupta (Whole Time Director)		
Director- Mr. Abhinav Gupta (Whole Time Director)		
Chief Financial Officer- Girish Singh Adhikari		
Company Secretary- Sanjana Dua		
<b>(b) Related party transactions:</b>		
<b>Key Management Personnel</b>		
Directors Salary	12,000,000	24,900,000
CFO Salary	621,080	330,600
Company Secretary Salary	360,000	330,000
<b>Loans and Advance Taken</b>		
Mrs. Sangeeta Gupta	21,158,129	29,288,253
Mr. Suneel Gupta	17,879,776	19,116,706
<b>Interest Payable</b>		
Mr. Suneel Gupta	2,479,876	1,016,706
Mrs. Sangeeta Gupta	1,603,070	1,888,253
Mr. Abhinav Gupta	-	1,000,000
<b>(c) No balance has been written off and written back of the related parties during the year</b>		
<b>34 ACTIVITY IN FOREIGN CURRENCY</b>		
<b>Earnings in Foreign Currency (Realization Basis):</b>		
FOB value of Export of Terry Towels	1,132,546,793	749,759,968
<b>Expenditure/Remittances in Foreign Currency:</b>		
Stores and Spares	1,680,959	6,873,764
Foreign Travelling	4,681,034	2,531,931
Purchase of Machinery	-	40,908,122
<b>Net Earnings in Foreign Currency</b>	<b>1,126,184,800</b>	<b>699,446,151</b>
<b>As per our report of even date attached</b>	<b>For Ashnoor Textile Mills Limited</b>	
For Agarwal & Gupta Chartered Accountants	Sd/- SUNEEL GUPTA Director DIN-00052084	Sd/- SANGEETA GUPTA Director DIN-00052121
Sd/- HEMENDRA KUMAR GUPTA Partner Membership Number: 090841 Place: New Delhi Date: May 27, 2019	Sd/- SANJANA TONDON Company Secretary ACS No.: A25682	Sd/- GIRISH SINGH ADHIKARI Chief Finance Officer PAN-AEEPA9502R

# ASHNOOR TEXTILE MILLS LIMITED



ASHNOOR

## 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]

CIN: L17226HR1984PLC033384

Name of the company: **Ashnoor Textile Mills Limited**

Registered office: **Behrampur Road, Village Khandsa, Gurgaon, Haryana-122001**

I/We, being the member (s) of.....shares of the above named company, hereby appoint

1. Name: ..... 2. Name : .....
- Address:..... Address : .....
- E-mail Id: ..... E-mail Id : .....
- Signature.....or failinghim Signature: .....
3. Name: .....
- Address: .....
- E-mail Id: .....
- Signature.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual general meeting of the company, to be held on Friday , the 27<sup>th</sup> day of September, 2019 at 9.30 a.m. at Behrampur Road, Village Khandsa, Gurgaon, Haryana-122001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Serial Number	Resolutions	Optional	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2019 together with the Report of the Directors' and the Auditors' thereon.		
2.	To appoint a Director in place of Mr. Abhinav Gupta (DIN-02766867), who retires by rotation and, being eligible, offers him for re-appointment.		
3.	To appoint Mr. Suneel Gupta (DIN-00052084) as Managing Director effective from January 20, 2020 for a period of 3 years and fix his remuneration.		
4.	To appoint of Ms. (Dr.) Sangeeta Gupta (DIN-00052121), as Whole time Director effective from May 20, 2020 and fix her remuneration.		
5.	To approve re-appointment of Mr. Piyush Gupta-Independent Director effective from September 30, 2019 for a consecutive period of five years.		
6.	To approve payment of commission not exceeding 1% of profit non executive directors (including independent directors)		

Name of the member (s): .....

Registered address: .....

E-mail Id:.....

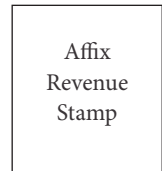
Folio No/ Client Id:.....

DP ID:.....

Signed this ..... day of..... 2019

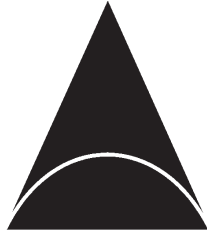
Signature of shareholder

Signature of Proxy holder(s)



**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.**

# ASHNOOR TEXTILE MILLS LIMITED



## ASHNOOR

**ASHNOOR TEXTILE MILLS LIMITED**

CIN: L17226HR1984PLC033384

Registered office: Behrampur Road, Village Khandasa, Gurgaon, Haryana-122001

Website : ashnoortex.com; Email : atml\_delhi@yahoo.com

Telephone Number: 0124-4809755, 4809756

**ATTENDANCE SLIP**

Registered Folio No./DPID No./Client ID No. :

Name and Address of the Member(s):.....

.....

.....

Joint Holder 1 : .....

Joint Holder 2 : .....

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 36<sup>th</sup> Annual General Meeting of the Company at Behrampur Road, Village Khandasa, Gurgaon, Haryana-122001 on Friday, 27<sup>th</sup> September, 2019 at 9:30 a.m.

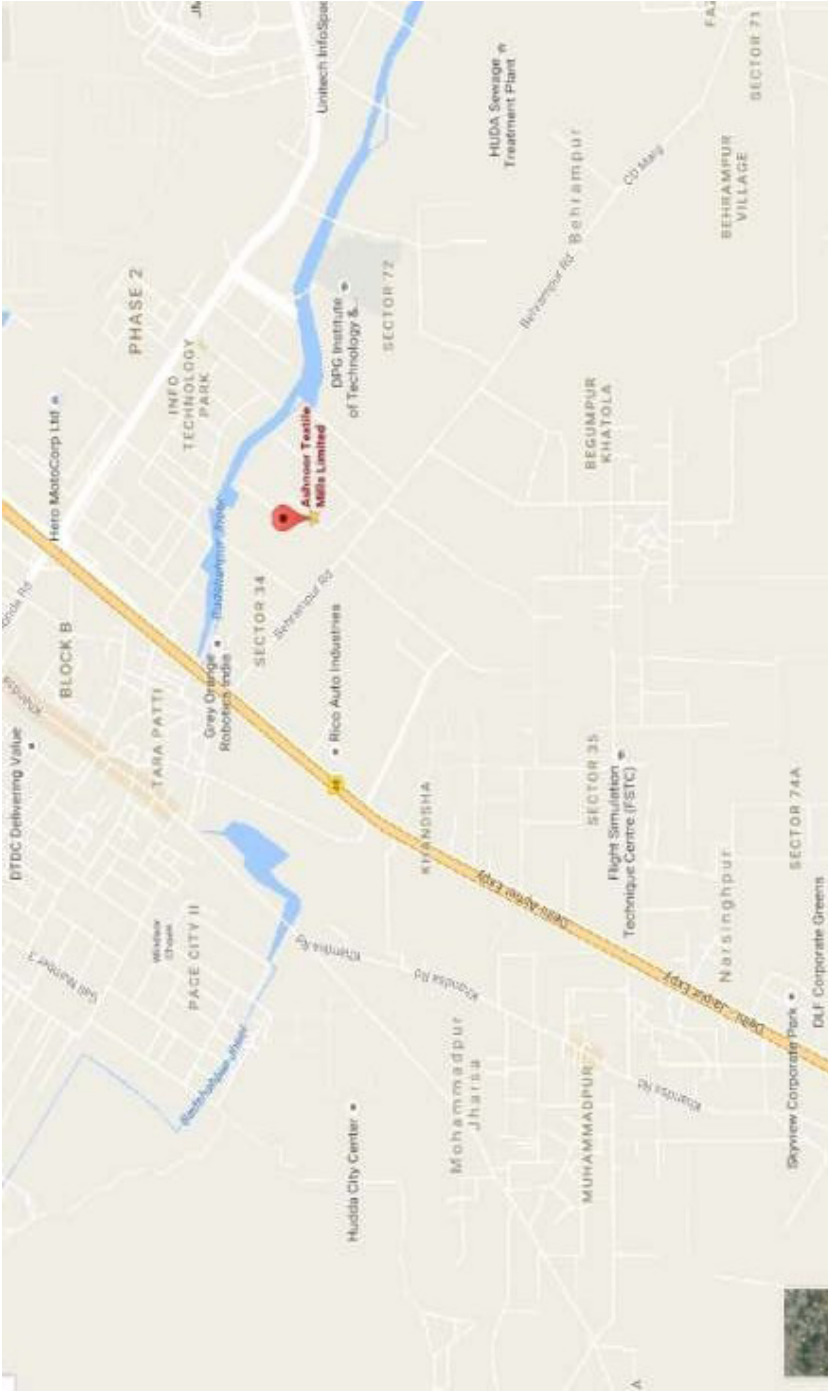
.....  
Name of Member / Proxy

.....  
Signature of Member / Proxy

### Notes :

1. A member or his duly appointed Proxy wishing to attend the Meeting must complete this Attendance Slip and hand it over at the entrance.
  2. Name of the Proxy in Block letter (in case the Proxy attends the meetings).....
  3. Members are requested to bring their copies of the Annual Report to the Meeting.
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# ASHNOOR TEXTILE MILLS LIMITED



## ASHNOOR TEXTILE MILLS LIMITED

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