



**ASHNOOR**

**Annual Report**

**2019-2020**

**Ashnoor Textile Mills Limited**



## **Board of Directors**

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

## **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



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# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTICE**

NOTICE is hereby given that the 37<sup>th</sup> Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Wednesday, September 30, 2020, at 4:00 p. m. IST through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, the Report of the Directors’ and the Auditors’ thereon and in this regards to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolution:**

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

2. To appoint Ms. Noor Gupta, who retires by rotation as a Director and, being eligible, offers herself for re-appointment as a Director. In this regard, to consider and If thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Noor Gupta (DIN: 03611790), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company.”

### **SPECIAL BUSINESS:**

3. 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 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. Anil Aggarwal (DIN: 00224118), who was appointed as an Independent Director and holds office of Independent Director upto September 30, 2020, 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 October 1, 2020 to September 30, 2025 and whose office shall not be liable to retire by rotation.”

**Registered Office:**  
Village Khandsa, Behrampur Road  
Gurgaon, Haryana-122001  
CIN-L17226HR1984PLC033384  
E-mail: atml\_delhi@yahoo.com  
Phone: 0124 4809756  
Web: ashnoortex.com

**By the order of the Board**

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

**Place: Gurugram**  
**Date: August 20, 2020**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES:**

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (hereinafter collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. Further, the route map of the venue of the Meeting is not annexed hereto as the AGM will be held through VC/OAVM.
3. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report for the financial year 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the financial year 2019-2020 will be available on the Company’s website [www.ashnoortex.com](http://www.ashnoortex.com), website of the Stock Exchange, i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of Company’s Registrar and Transfer Agent, Link Intime India Private Limited at [www.linkintime.co.in](http://www.linkintime.co.in).
4. For receiving all communication (including Annual Report) from the Company electronically:
  - a. Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in).
  - b. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
5. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
6. In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India and in view of the aforesaid MCA and SEBI Circulars, the Company has engaged the services of Link Intime (India) Private Limited (LIPL) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically during the AGM in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM (“remote e-voting”) is also provided by the Company through LIPL.
7. VC/OAVM facility provided by the Company is having a capacity to allow 1000 members to participate at the Meeting on a first come–first-served basis. However, the large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, KMPs, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee, Auditors etc. may be allowed to attend the Meeting without restriction on account of first-come-first-served principle. The Company is providing two way teleconferencing facility for the ease of participation of the members. The facility for joining the AGM through VC/OAVM shall be open at least 15 minutes before the time scheduled

## **ASHNOOR TEXTILE MILLS LIMITED**

to start the Meeting and shall not be closed till the expiry of 15 minutes after such scheduled time. Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.

### **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

8. The Company will provide VC / OAVM facility to its Members for participating at the AGM.
  - A) **Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://instameet.linkintime.co.in>. Members are requested to follow the procedure given below:**
    - a. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
    - b. Select the “**Company**” and ‘**Event Date**’ and register with your following details: -
      - i. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
        - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID.**
        - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
        - Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company
      - ii. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
      - iii. **Mobile No.:** Enter your mobile number.
      - iv. **Email ID:** Enter your email id, as recorded with your DP/Company.

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

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

- a. Shareholders who would like to speak during the meeting must register their request by September 27, 2020 with the company on [atml\\_agm@yahoo.com](mailto:atml_agm@yahoo.com).
- b. Shareholders will get confirmation on first cum first basis.
- c. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- d. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
- e. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
- f. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

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

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

- a. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
- c. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

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- d. 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’.
- e. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- f. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

### **Please note that:**

- a. Shareholders/Members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
- b. Shareholders/Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.
- c. Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- d. Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- e. For a smooth experience of viewing the AGM proceedings shareholders/members who are registered as speakers for the event are requested to download and install the Webex application in advance by clicking on the link <https://www.webex.com/downloads.html/>.
- f. If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
- g. If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:
  - Enter your First Name, Last Name and Email ID and click on Join Now.
  - If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chorme or Run a temporary application.
  - Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.
- h. In case shareholders/ members have any queries regarding login/ e-voting, or they need any help before or during the AGM may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on:- Tel: 022-49186175.
- i. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- j. Members have any quarries regarding login/e-voting they may contact the Company’s Registrar & Share Transfer Agent (RTA), Link Intime India Private Limited Noble Heights, 1st

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Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 (Phone Number:+91-11-41410592/022-49186175; Fax Number:+91-11-41410591; Email: delhi@linkintime.co.in/instameet@linkintime.co.in) or may send email to the Company at atml\_agm@yahoo.com.

### **D) Procedure for Shareholders/Members for remote e-voting:**

9. 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.
10. The process and manner for voting electronically are as under:
  - i. The voting period begins on Sunday, September 27, 2020 at 9:00 a. m. and ends on Tuesday, September 29, 2020 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 Wednesday, September 23, 2020 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.
  - ii. 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>.
  - iii. Click on 'Login' under 'SHARE HOLDER' tab.
  - iv. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
  - v. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
  - vi. E-voting page will appear.
  - vii. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
  - viii. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
  - ix. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LI IPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

### **If you have forgotten the password:**

- i. Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- ii. Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- iii. In case shareholders/members is having valid email address, Password will be sent to his/ her registered e-mail address.
- iv. Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- v. 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.
- vi. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



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

During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the Frequently Asked Questions (‘FAQs’) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) or [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: Phone: 011 41410592 / 022 –4918 6000.

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

i. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

**A. User ID:** Enter your User ID

- a. Shareholders/members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- b. Shareholders/members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- c. Shareholders/members holding shares in physical form shall provide Event No + Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

- a. Shareholders/members holding shares in CDSL demat account shall provide either ‘C’ or ‘D’, above
- b. Shareholders/members holding shares in NSDL demat account shall provide ‘D’, above
- c. Shareholders/members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

ii. Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

iii. Click “confirm” (Your password is now generated).

**NOTE:** If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

11. The Register of Members and Share Transfer Books of the Company shall remain closed from **Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive)**.
12. The Board of Directors of the Company has appointed Mr. Deepak Bansal, Practicing Company Secretary, Proprietor of Messrs Deepak Bansal & Associates, Company Secretaries, Flat Number 1601, 16<sup>th</sup> Floor, Tower-M,

## **ASHNOOR TEXTILE MILLS LIMITED**

Arihant Arden, Plot Number-GH-07A, Sector-01, Greater Noida, Gautam Budh Nagar, Uttar Pradesh-201306 as the Scrutinizer to scrutinize the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.

13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant of security market. Members holding shares in physical form may forward their PAN details to the Company or its RTA while the members holding shares in electronic form may submit their PAN details to their Depository Participants with whom they are maintaining their demat accounts.
14. Securities And Exchange Board of India has mandated the securities of listed companies can be transferred only in dematerialized form effective from April 1, 2019. Accordingly, the Company/RTA has stopped transfer of shares in physical form. Members holding shares in physical form are requested to convert their shares in electronic mode and also register their email address with RTA of the Company.
15. Corporate Members may authorize its representative to join meeting through video conferencing by sending a certified copy of the Board resolution.
16. The Company was not required to transfer any amount or share to Investor Education and Protection Fund.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
18. All the documents referred to in the Notice will also be available electronically for inspection by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an e-mail to [atml\\_agm@yahoo.com](mailto:atml_agm@yahoo.com)
19. Members seeking any information with regards to accounts or any matter to be placed at the AGM are requested to write to the Company at least 5 days before date of AGM through email on [atml\\_agm@yahoo.com](mailto:atml_agm@yahoo.com). The same will be replied by the Company suitably.
20. Pursuant to provisions of the Companies Act, 2013, Ms. Noor Gupta, Director, will retire by rotation at Annual General Meeting and, being eligible, has offered herself for re-appointment. Ms. Noor Gupta, aged 27 years is Masters in Entrepreneurship from City University of London, UK and having good experience of textile industry. She will not be paid any remuneration except sitting fee, for attending the meetings of the Board or/and commission on profit, if so decided by the Board. She is holding 445,849 (3.50%) shares in the Company. She is daughter of Mr. Suneel Gupta-Managing Director and Dr. (Mrs.) Sangeeta Gupta-Whole Time Director. She is sister of Mr. Abhinav Gupta-Whole Time Director. She is not related to any other Director and Key Managerial Personnel in the Company. She is neither Director in any other public Company nor Member/Chairperson of Committee of the Board of Public Limited Company. She is neither debarred from holding office of Director pursuant to any order of SEBI nor disqualified under any provision of the Companies Act, 2013. Her attendance in Board meetings is given in Corporate Governance Report. Mr. Suneel Gupta, Dr. (Mrs.) Sangeeta Gupta and Mr. Abhinav Gupta being her relatives are interested in the resolution number 2 of the Notice. Save and except the above, none of the other Director and Key Managerial Personnel in the Company/their relatives, in any way, concerned or interested, financially or otherwise.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **Explanatory Statement**

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

### **Item Number-3**

The First term of Mr. Anil Aggarwal (DIN: 00224118) as an Independent Director commenced on October 1, 2015 will complete on September 30, 2020. The Board, on the recommendation of Nomination and Remuneration Committee, proposes to re-appoint Mr. Anil Aggarwal as Independent Director of the Company for second term of 5 (five) consecutive years with effect from October 1, 2020. Your Directors confirm that the proposed re-appointee possesses the requisite skill, experience and expertise. 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 also 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. Anil Aggarwal, aged 55 years, is Bachelor of Commerce and Fellow Member of Institute of Company Secretaries of India and having experience of more than 30 years in various fields including Company Law, Tax Planning, Banking, Financial Services and Investment Consultancy. He was Chairman of the Amritsar Chapter of the Institute of Company Secretaries of India. His expert knowledge in varied fields will be of immense use for the Company and particularly in complying with provisions of applicable laws. He is neither holding office of Director in any public limited company nor is member/chairman of any committee of the Board except this Company. The special resolution seeks the approval of the members for the appointment of Mr. Anil Aggarwal as an Independent Director of the Company for a period of 5 consecutive years effective from October 1, 2020 as per provisions of section 149 read with schedule IV and other applicable provisions of the Act and rules made thereunder. He will not be liable to retire by rotation.

The Board is of the opinion that Mr. Anil Aggarwal fulfills the conditions specified for appointment as independent director in the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Board recommends special resolution set out at number 3 of the Notice for your approval.

### **Registered Office:**

**Village Khandsa, Behrampur Road**

**Gurgaon, Haryana-122001**

**CIN-L17226HR1984PLC033384**

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

**Phone: 0124 4809756**

**Web: ashnoortex.com**

**Place: Gurugram**

**Date: August 20, 2020**

**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 37<sup>th</sup> Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on March 31, 2020.

## **FINANCIAL PERFORMANCE AND OUTLOOK**

(Rupees in Lakh)

<b>PARTICULARS</b>	<b>2019-2020</b>	<b>2018-2019</b>
Income (including other income)	13,723.19	12,869.41
Gross Profit prior to financial overheads and depreciation	969.73	1,350.45
Financial Overheads	280.68	624.07
Depreciation	284.83	233.59
Profit before Tax Exceptional and Extra-Ordinary Items	404.22	492.79
Exceptional and Extra-Ordinary Items	3.13	(-)2.51
Profit before Tax	407.35	490.28
Income/Deferred Tax	83.91	75.99
Profit after Tax-available for appropriation	323.44	414.29
Basic Earnings Per Share	2.59	3.32

During the year under review, revenue from operations increased marginally by 6.51% from Rs.12,854.43 lakh in previous year to Rs.13,691.45 lakh in current financial year. However, profits after tax reduced by 21.93% from Rs.414.29 lakh in the previous year to Rs.323.44 lakh in the current financial year primarily due to higher cost of raw material and impact of Covid-19 in last fortnight of the March, 2020. The Company is carrying business activities only in one segment. The Company has incurred capital expenses of Rs.737 Lakh for modernization its plant and machinery and its effluent treatment plant.

Due to declaration of nation-wide lockdown by the Government of India due to COVID-19, manufacturing operations at the factory had been closed in the last week of March 2020. The first quarter was very badly impacted due to April being completely washout and the operations being very limited in the first quarter. So, the income from normal sales has been badly impacted. The current quarter of June to September is also likely to be subdued due to continued impact of Covid-19 in USA particularly in the hotel industry which is the ultimate consumer of the company's product as it is exporting its products to USA. The working is likely to be normal in the second half of the financial year assuming that hopefully the impact of Covid-19 will dilute to a great extent by that time.

There was not any change in the nature of business of the company. Further, there has been no material change/commitment occurred after March 31, 2020 until date of this report affecting financial position of the Company.

## **ASHNOOR TEXTILE MILLS LIMITED**

### **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, 2020.

### **CHANGE IN NATURE OF BUSINESS**

During the financial year 2019-2020, 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 except that there were no manufacturing activities for two months approximately due to declaration of lockdown due to COVID-19.

### **CAPITAL STRUCTURE**

During the year under review, the Company had converted remaining 2.50 Lakh warrants into equity shares of Rs.10/- each at a price of Rs.22/- per share to the Promoter group. The paid up share capital of the Company as on March 31, 2020 was Rs.127,395,036/- (Previous year Rs.124,895,036/-). The Company has neither issued shares with differential voting rights nor granted any employee stock options or sweat equity shares. During the financial year, the Company has not issued any type of debentures or preference shares or bonds.

### **INVESTOR EDUCATION AND PROTECTION FUND**

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

### **DETAILS OF DIRECTORS 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 to and forms part of Annual Report.

All the Independent Directors of the Company meet the criteria of independence as prescribed under the Act and the Listing Regulations. They have given declaration confirming the same. In terms of section 152 of the Companies Act, 2013 and Articles of Association of the Company Ms. Noor Gupta (DIN-03611790), Director, will retire by rotation and, being eligible, offers herself for re-appointment.

During the year, Mr. Suneel Gupta (DIN: 00052084), Managing Director and Dr. (Mrs.) Sangeeta Gupta (DIN: 00052121), Whole time Directors were re-appointed for a period of three years effective January 10, 2020 and May 1, 2020 respectively. Further, Mr. Piyush Gupta (DIN: 00125678) one of the Independent Directors was also re-appointed by passing of special resolution in Annual General Meeting held on September 27, 2019 for a period of five years effective from September 30, 2019. However, Mr. Piyush Gupta resigned effective from July 24, 2020.

## **ASHNOOR TEXTILE MILLS LIMITED**

The First term of Mr. Anil Aggarwal (DIN: 00224118) as an Independent Director will complete on September 30, 2020. The Board, on the recommendation of Nomination and Remuneration Committee, proposes to re-appoint Mr. Anil Aggarwal as Independent Director of the Company for second term of 5 (five) years with effect from October 1, 2020. Your Directors confirm 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 were 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

However, Ms. Sanjana Tandon-Company Secretary and Compliance Officer resigned effective from February 29, 2020. The Company is in the process of finalization of appointment of a new Company Secretary.

The brief resume and other details of the Directors to be re-appointed, as required under Listing Regulations have been provided in notice of Annual General Meeting. Details of meeting attended by the Directors are given in Corporate Governance Report. The balance of funds borrowed from Promoter Directors as on March 31, 2020 was Rs.1,280.32 Lakh.

### **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. None of the remaining Directors are related to each other and promoters.

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

Agarwal & Gupta, Chartered Accountants, New Delhi, will continue to act as Statutory 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, 2020. The Report of the Auditors on the Financial Statements including relevant rules on the accounts for the financial year ended March 31, 2020 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**

Pursuant to requirements of section 138 of the Act, Messrs Naveen Brahma Nand & Company, Chartered Accountants, has been re-appointed as Internal Auditors for the financial year 2020-2021.

### **SECRETARIAL AUDIT REPORT**

Messrs Anil Arora & Associates, Company Secretaries, New Delhi was appointed as Secretarial Auditors by the Board of Directors, for the financial year 2019-2020, as per provisions of section 204 of the Companies Act, 2013.

## **ASHNOOR TEXTILE MILLS LIMITED**

The report of Secretarial Auditors is annexed with Annual Report and forms part of Annual report. The Board has re-appointed them for the financial year 2020-2021.

Further, pursuant to Regulation 24A of Listing Regulations a Secretarial Compliance Certificate issued by Messrs Anil Arora & Associates, Company secretaries, New Delhi is also annexed with Annual Report and forms its part.

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

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

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

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 in terms of provisions of section 134(3)(p) of the Act and the Listing Regulations. The Nomination and Remuneration Committee had prepared detailed criteria for evaluating performance of the Directors including Independent Directors. 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.

The detail of programs held during the financial year for familiarization of the Independent Directors with the Company, informing them about their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, 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/2020/08/Familiarization-Programs.pdf>.

### **CODE OF CONDUCT**

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 as per provisions of the Companies Act and Listing Regulations and this Includes the duties of independent directors as laid down in the Act. The Board members and senior management personnel affirm compliance with the code of conduct every year. They have affirmed compliance of code with code for the financial year 2019-2020 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/2020/08/Code-of-Conducts-For-the-Board-Members-and-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, 2020, the applicable accounting standards (Ind-AS) has been followed along with the explanations relating to material departures, if any;
- b. the directors has 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, 2020 and of the profit of the Company for that period;

## **ASHNOOR TEXTILE MILLS LIMITED**

- 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, 2020 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 2019-2020, seven (7) meetings of the Board of Directors of the Company were held. The details of these meetings including attendance of Directors of these meetings are given in Corporate Governance Report.

### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

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

### **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 annexed as part of Annual Report. 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**

The related party transaction(s) are negotiated on arm's-length basis and are in ordinary course of business. Therefore, the Provisions of Section 188(1) of the Companies Act, 2013 are not applicable.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which are required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. However, suitable disclosure has been made in the note number 39 to the Financial Statements.

The Policy on materiality of related party transactions of the Company is available on Company's website at the web link: <http://ashnoortex.com/wp-content/uploads/2020/08/Policy-on-Related-Party-Transactions.pdf>

### **BUSINESS RISK MANAGEMENT**

Being a very important part of any business the Company's Risk Management Policy has appropriate control mechanism and operating effectiveness of the Internal Financial Controls and Legal Compliance System. The management of the company reviews the policy from time to time. However no risk has been identified which in the opinion of the Board may threaten the existence of the Company.



# **ASHNOOR TEXTILE MILLS LIMITED**

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return, in format MGT-9, for the Financial Year 2019-20 is annexed to this report as 'Annexure-1'.

## **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**

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

## **INTERNAL FINANCIAL CONTROL**

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

## **AUDIT COMMITTEE**

The Audit Committee was 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. However, after closure of financial year, Mr. Piyush Gupta has resigned effective from July 24, 2020. After his resignation the Audit Committee was reconstituted as follows:

Mr. Anil Aggarwal (Independent Director)-Chairman, Mrs. Divya Aggarwal-(Independent Director) and Mr. Suneel Gupta-(Managing Director)-Members.

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.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Audit Committee was 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. However, after closure of financial year, Mr. Piyush Gupta has resigned effective from July 24, 2020. After his resignation the Audit Committee was reconstituted as follows:

Mr. Anil Aggarwal (Independent Director)-Chairman, Mrs. Divya Aggarwal-(Independent Director) and Mr. Suneel Gupta-(Managing Director)-Members.

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 was comprised of Mr. Piyush Gupta as Chairman, Mr. Anil Aggarwal-member and Mr. Sanjay Arora-Member. However, after closure of financial year, Mr. Piyush Gupta has resigned effective from July 24, 2020. After his resignation the Audit Committee was reconstituted as follows:

Mr. Anil Aggarwal (Independent Director)-Chairman, Mrs. Divya Aggarwal-(Independent Director) and Mr. Sanjay Arora-(Independent Director)-Members.

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

## **ASHNOOR TEXTILE MILLS LIMITED**

Company's website at the web link: [http://ashnoortex.com/wp-content/uploads/2020/08/ Nomination-and-Remuneration-Policy.pdf](http://ashnoortex.com/wp-content/uploads/2020/08/Nomination-and-Remuneration-Policy.pdf).

### **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-2' to this Report.

### **VIGIL MECHANISM**

Pursuant to section 177(9) read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 Regulation 22 of the Listing Regulations the Company has formed Vigil Mechanism in the form of Whistle Blower Policy, which provides freely reporting of any genuine concern to the Chairman of the Audit Committee by any Director or employee of the Company. The policy provides adequate safeguards against victimization to such Director(s) or employee(s). Whistle Blower Policy duly approved by the Board is available on the Company's website at the web link: <http://ashnoortex.com/wp-content/uploads/2020/08/Whistle-Blower-Policy.pdf>.

Further details are available in the Report on Corporate Governance that forms part of this Report.

### **PREVENTION OF INSIDER TRADING**

The Company has framed a Code of Fair Disclosure as per provisions of Listing Regulations. It helps to prevent insider trading in the securities and ensure transparency and also regulate trading in securities of the Company by the Directors and designated employees. The code is available on the Company's website at the web link: <http://ashnoortex.com/wp-content/uploads/2020/08/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.

<b>Rupees in Lakh</b>					
<b>Sl. No</b>	<b>Name of Director/KMP</b>	<b>Designation</b>	<b>Remuneration during the Year</b>	<b>Percentage Increases/ decrease in Remuneration during the Year</b>	<b>Ratio of Remuneration of each Director to median remuneration</b>
1.	Mr. Suneel Gupta	Managing Director	15.00	(-) 68.75	5.64
2.	Mrs. (Dr.) Sangeeta Gupta	Whole Time Director	12.00	(-) 60.00	7.05
3.	Mr. Abhinav Gupta	Whole Time Director	15.00	(-) 68.75	5.64
4.	Ms. Noor Gupta	Promoter Director	0.00	0.00	0.00
5.	Mr. Piyush Gupta	Independent Director	0.00	0.00	0.00
6.	Mr. Anil Aggarwal	Independent Director	2.00	100.00	0.00
7.	Mr. Sanjay Arora	Independent Director	0.00	0.00	0.00
8.	Mrs. Divya Agarwal	Independent Director	0.00	0.00	0.00
9.	Girish Singh Adhikari	CFO	7.09	0.00	0.00
10.	Sanjana Tondon	Company Secretary	3.30	0.00	0.00

## **ASHNOOR TEXTILE MILLS LIMITED**

No Commission was paid to Managing Director and Whole Time Director from the Company. The Company was having 404 permanent employees on the rolls of the Company. There is no increase in the median remuneration of the employees in the financial year.

None of the employees of the Company is drawing remuneration as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

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

During the year, the Company has not given any Loan and Corporate Guarantee, which is covered 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**

No complaint was received for sexual harassment by Internal Complaints Committee set up under the captioned Act in the financial year 2019-2020. Therefore, no complaint was pending for redressal on March 31, 2020.

### **ACKNOWLEDGMENT**

Your Directors express their gratitude and thanks to Banks, Central and State Government Authorities, Stock Exchange, Regulatory Authorities and stakeholders for their continued co-operation and support to the Company and also express their gratitude and thanks to Shareholders, Customers, Suppliers and other business associates for their continued co-operation and patronage. 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 20, 2020**

# ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE-1

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[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: atml_delhi@yahoo.com Web: ashnoortex.com
(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: delhi@linkintime.co.in

### 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-2019]				No. of Shares held at the end of the year [31-March-2020]				% 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	9,029,862	0.00	9,029,862	72.26	9,279,862	0.00	9,279,862	72.81	0.55
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>9,029,862</b>	<b>0.00</b>	<b>9,029,862</b>	<b>72.26</b>	<b>9,279,862</b>	<b>0.00</b>	<b>9,279,862</b>	<b>72.81</b>	<b>0.55</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>9,029,862</b>	<b>0.00</b>	<b>9,029,862</b>	<b>72.26</b>	<b>9,279,862</b>	<b>0.00</b>	<b>9,279,862</b>	<b>72.81</b>	<b>0.55</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0.00	3,080	3,080	0.02	0.00	3,080	3,080	0.02	0.00
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

## ASHNOOR TEXTILE MILLS LIMITED

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>0.02</b>	<b>0.00</b>	<b>3,080</b>	<b>3,080</b>	<b>0.02</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
Bodies Corporate									
i) Indian	10,479	17,870	28,349	0.23	9,474	17,870	27,344	0.21	(0.02)
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	802,884	2,459,365	3,262,249	26.11	848,831	2,370,853	3,219,684	25.27	(0.84)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	41,072	0.00	41,072	0.33	78,610	0.00	78,610	0.62	0.29
iii) Clearing members	5,154	0.00	5,154	0.04	9,262	0.00	9,262	0.07	0.03
iv) NBFC registered with RBI	21,280	0.00	21,280	0.17	21,280	0.00	21,280	0.17	0.00
a) Others (specify)									
i. Non- Resident Indians (Repatriation Basis) and Foreigners	20,657	14,168	34,825	0.28	22,861	14,168	37,029	0.29	0.01
ii. Trust	25,886	0.00	25,886	0.21	25,886	0.00	25,886	0.20	(0.01)
iii. HUF	44,092	0.00	44,092	0.35	43,812	0.00	43,812	0.34	(0.01)
<b>Sub-total (B)(2)</b>	<b>971,504</b>	<b>2,491,403</b>	<b>3,462,907</b>	<b>27.71</b>	<b>1,060,016</b>	<b>2,402,891</b>	<b>3,462,907</b>	<b>27.17</b>	<b>(0.55)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>971,504</b>	<b>2,494,483</b>	<b>3,465,987</b>	<b>27.74</b>	<b>1,060,016</b>	<b>2,405,971</b>	<b>3,465,987</b>	<b>27.19</b>	<b>(0.00)</b>
<b>C. 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>10,001,366</b>	<b>2,494,483</b>	<b>12,495,849</b>	<b>100</b>	<b>10,339,878</b>	<b>2,405,971</b>	<b>12,745,849</b>	<b>100</b>	<b>0.00**</b>

\*During the year the Company has converted remaining 250,000 warrants in equity shares. Therefore, total paid-up capital increased by 2.00%. 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	Share holding 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.	Mr. Suneel Gupta	4,261,841	34.11	0.00	4,261,841	33.44	0.00	-0.67
2.	Mrs. Sangeeta Gupta	2,986,172	23.90	0.00	2,986,172	23.43	0.00	-0.47
3.	Mr. Abhinav Gupta	1,536,000	12.29	0.00	1,586,000	12.44	0.00	0.15
4.	Ms. Noor Gupta	245,849	1.96	0.00	445,849	3.50	0.00	1.54
	<b>Total</b>	<b>9,029,862</b>	<b>72.26</b>	<b>0.00</b>	<b>9,279,862</b>	<b>72.81</b>	<b>0.00</b>	<b>0.55</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. 2019		4,261,841	34.11			
Increase /Decrease				0		
31.03. 2020					4,261,841	*33.44
<b>2. Sangeeta Gupta</b>						
01.04. 2019		2,986,172	23.90			
Increase/Decrease				0		
31.03. 2020					2,986,172	*23.43
<b>3. Abhinav Gupta</b>						
01.04.2019		1,536,000	12.29			
18/03/2020	Increase/Conversion of warrants			50,000	1,586,000	12.44
31.03.2020					1,586,000	*12.44
<b>4. Noor Gupta</b>						
01.04.2019		245,849	1.96			
18.03.2020	Increase/Conversion of warrants			200,000	445,849	3.50
31.03.2020					445,849	*3.50

\*On expanded capital after conversion remaining warrants.

# ASHNOOR TEXTILE MILLS LIMITED

## 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>						
05.04.2019	Opening Balance	41072	0.33	1,138	42,210	0.33
10.05.2019	Increase/Transfer			1,656	43,866	0.34
17.05.2019	Increase/Transfer			1,133	44,999	0.35
07.06.2019	Increase/Transfer			7,639	52,638	0.41
14.06.2019	Increase/Transfer			2,758	55,396	0.43
21.06.2019	Increase/Transfer			415	55,811	0.44
29.06.2019	Increase/Transfer			189	56,000	0.44
12.07.2019	Increase/Transfer			2,030	58,030	0.45
30.08.2019	Increase/Transfer			377	58,407	0.46
06.09.2019	Increase/Transfer			188	58,595	0.46
13.09.2019	Increase/Transfer			742	59,337	0.47
18.10.2019	Increase/Transfer			1,000	60,337	0.47
25.10.2019	Increase/Transfer			280	60,617	0.48
01.11.2019	Increase/Transfer			280	60,897	0.48
22.11.2019	Increase/Transfer			1,201	62,098	0.49
29.11.2019	Increase/Transfer			420	62,518	0.49
13.12.2019	Increase/Transfer			288	62,806	0.49
31.01.2020	Increase/Transfer			129	62,935	0.49
07.02.2020	Increase/Transfer			2,100	65,035	0.51
21.02.2020	Increase/Transfer			1,000	66,035	0.52
28.02.2020	Increase/Transfer			350	66,385	0.52
13.03.2020	Increase/ Transfer			100	66,485	0.52
20.03.2020	Increase/Transfer			12,125	78,610	0.62
31.03.2020	Closing Balance				78610	*0.62
<b>2. Custodian A/C FFSL</b>						
01.04.2019	Opening Balance	24,766	0.20			
31.03.2020	Closing Balance				24,766	*0.19
<b>3. Andhra Bank Financial Services Limited</b>						
01.04.2019	Opening Balance	21,280	0.17			
31.03.2020	Closing Balance				21,280	*0.17



## **ASHNOOR TEXTILE MILLS LIMITED**

<b>4. Munni Lal Maheshwari</b>						
01.04.2019	Opening Balance	18,960	0.15			
31.03.2020	Closing Balance				18,960	*0.15
<b>5. Pradeep Kumar Nehra</b>						
01.04.2019	Opening Balance	16,374	0.13			
17.01.2020	Increase/Transfer			1,177	17,551	0.14
24.01.2020	Increase/Transfer			500	18,051	0.14
31.01.2020	Increase/Transfer			1,000	19,051	0.15
31.03.2020	Closing Balance				19,051	*0.15
<b>6. Sanjay Kumar Sarawagi</b>						
01.04.2019	Opening Balance	13,624	0.11			
25.10.2019	Increase/Transfer			1,500	15,124	0.12
31.03.2020	Closing Balance				15,124	*0.12
<b>7. Pritty Devi Sarawagi</b>						
01.04.2019	Opening Balance	13,502	0.11			
31.03.2020	Closing Balance				13,502	*0.11
<b>8. Naresh Arjunlal Patel</b>						
01.04.2019	Opening Balance	3,000	0.02			
12.07.2019	Increase/Transfer			9,000	12,000	0.09
31.03.2020	Closing Balance				13,587	*0.09
<b>9. Deepinder Singh Poonian</b>						
01.04.2019	Opening Balance	0	0.00			
14.02.2020	Increase/Transfer			3,344	3,344	0.03
21.02.2020	Increase/Transfer			3,217	6,561	0.05
06.03.2020	Increase/Transfer			1,929	8,490	0.06
13.03.2020	Increase/Transfer			500	8,990	0.07
20.03.2020	Increase/Transfer			2,648	11,638	0.09
31.03.2020	Closing Balance				11,638	*0.09
<b>10. Manubhai N Patel</b>						
01.04.2019	Opening Balance	11,410	0.09			
31.03.2020	Closing Balance				11,410	*0.09
<b>11. Harishchandra C Shirodkar</b>						
01.04.2019	Opening Balance	11,187	0.09			
30.08.2019	Increase/Transfer			2,400	13,587	0.11
31.03.2020	Closing Balance				13,587	*0.11
<b>12. Poonam Sawhney</b>						
01.04.2019	Opening Balance	11,121	0.09			
31.03.2010	Closing Balance				11,121	*0.09

\*On expanded capital after conversion remaining warrants.

## 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. 2019		4,261,841	34.11			
31.03. 2020					4,261,841	*33.44
<b>2. Sangeeta Gupta</b>						
01.04. 2019		2,986,172	23.90			
31.03. 2020					2,986,172	*23.43
<b>3. Abhinav Gupta</b>						
01.04.2019		1,536,000	12.29			
18.03.2020	Increase/Conversion of warrants			50,000	1,586,000	*12.44
31.03.2020					1,586,000	12.44
<b>4. Noor Gupta</b>						
01.04.2019		245,849	1.96			
18.03.2020	Increase/Conversion of Warrants			200,000	445,849	3.50
31.03.2019					445,849	*3.50
<b>5. Piyush Gupta*</b>						
01.04. 2019		0	0.00			
	Increase/Decrease			0		
31.03.2020					0.00	0.00
<b>6. Divya Agarwal</b>						
01.04. 2019		0	0.00			
	Increase/Decrease			0		
31.03.2020					0.00	0.00
<b>7. Anil Aggarwal</b>						
01.04. 2019		0	0.00			
	Increase/Decrease			0		
31.03.2020					0.00	0.00

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8. Sanjay Arora						
01.04. 2019		420	0.00			
	Increase/Decrease			0		
31.03.2020					420	0.00
9. Girish Singh Adhikari						
01.04. 2019		0	0.00			
	Increase/Decrease			0		
31.03.2020					0.00	0.00
10. Sanjana Tondon**						
01.04. 2019		0	0.00			
	Increase/Decrease			0		
31.03.2020					0.00	0.00

\*Resigned effective from July 24, 2020

\*\*Resigned effective from February 29, 2020

### **F. 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	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>
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,15,69,07,868.40	10,88,90,863.00	0.00	2,26,57,98,731.40
* Reduction	2,10,12,08,763.95	1,98,96,666.00	0.00	2,12,11,05,429.95
<b>Net Change</b>	<b>5,56,99,104.45</b>	<b>8,89,94,197.00</b>	<b>0.00</b>	<b>14,46,93,301.45</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	48,23,10,343.99	12,80,32,102.00	0.00	61,03,42,445.99
ii) Interest due but not paid	3,59,831.00	0.00	0.00	3,59,831.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total ( i + ii + iii )</b>	<b>48,26,70,174.99</b>	<b>12,80,32,102.00</b>	<b>0.00</b>	<b>61,07,02,276.99</b>

## ASHNOOR TEXTILE MILLS LIMITED

### G. 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	15.00	12.00	15.00	42.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total (A)	15.00	12.00	15.00	42.00
	Ceiling as per the Act		Remuneration paid as per schedule V of the Companies Act, 2013.		

#### 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	2.00	0	0	2.00
	• Commission	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0
	Total (1)	0	0	2.00	0	0	2.00

## ASHNOOR TEXTILE MILLS LIMITED

2.	Others Expenses Non-Executive Directors <ul style="list-style-type: none"> <li>• Fee for attending board committee</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>					0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	0	0	2.00	0	0	2.00
	Total Managerial Remuneration						44.00
	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	7.09	10.39
	(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	7.09	10.39

## 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 20, 2020

### 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 a very pivotal role in the development of economy and social structures. Therefore, energy conservation is a very critical subject that matters to all when we talk about the better economical and social environment. The efforts and find out new means to improve the energy performance by planning and management is continuous process in the Company. This will save energy resources for future but also avoid wasteful utilization of energy. The Company is also continuously trying to reduce consumption of energy and also finds out renewable resources. In view of growing deficit between supply and demand of electrical power, energy conservation is a very critical issue. 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 2019-2020 the Company has modernized its plants and machineries including effluent treatment plant. It will help to conserve energy in manufacturing process.
- Company has continued to use Turbine Ventilators instead of industrial exhaust fans.
- 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.

##### b) Utilization of alternative source of energy

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

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

- The company has incurred Rs.736 lakh on modernized of plants and machineries and effluent treatment plant which among others will help to conserve use energy in manufacturing process.

#### 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	2019-2020	2018-2019
FOB value of Export of Terry Towels (Realization basis)	11,537.74	11,325.47

**Expenditure in Foreign Currency**

(Rupees in Lakh)

Particulars	2019-2020	2018-2019
Import of Stores and Spares	23.43	16.81
Foreign Travelling	25.05	46.81
Purchase of machineries	28.83	0.00
Total Expenditures	77.31	63.62
Net foreign exchange earned	11,460.43	11,261.85

By the order of the Board

Sd/-  
Suneel Gupta  
Managing Director  
DIN-00052084

Sd/-  
Sangeeta Gupta  
Director  
DIN-00052121

Place: Gurugram  
Date: August 20, 2020



# **ASHNOOR TEXTILE MILLS LIMITED**

## **CORPORATE GOVERNANCE REPORT**

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

This report is prepared in compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter in this report referred as "Listing Regulations"), and the report contains the details of Corporate Governance systems and processes at Ashnoor Textile Mills Limited ("the Company"). 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. It envisages the attainment of the highest level of transparency and accountability in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the Government and the lenders.

### **2. Board of Directors**

#### **a) Composition of the Board**

As on March 31, 2020, the Board of the Company is comprised of eight Directors with Executive, Non-Executive Promoter Directors, Non-Executive Independent Directors and Women 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, 2020 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

\* Resigned on July 24, 2020 due to preoccupation. He confirmed that there was no other material reasons.

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. After closure of financial year, Mr. Piyush Gupta resigned due to preoccupation effective from July 24, 2020. There are no other material reasons other than preoccupation.

#### **(b) Number of Board Meetings**

1. During the year under review, 7 (seven) meetings of the Board of Directors were held on May 15, 2019; May 27, 2019; August 13, 2019; November 14, 2019; January 18, 2020; February 13, 2020 and March 18, 2020.
2. 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.
3. The necessary quorum was present for all the meetings.

## **ASHNOOR TEXTILE MILLS LIMITED**

4. 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.
5. During the year, information as pursuant to Regulation 17(7) of the Listing Regulations read with Part A of Schedule II, had been placed before the Board for its consideration.
6. The Board periodically reviews the compliance reports of all laws applicable to the Company.
7. 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, 2013 read with relevant Rules and Secretarial Standards-1.

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

Name of Directors	Attendance			Other Directorships/ Committee Memberships (in public companies)		
	Number of Board 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	No	--	--	--
Mr. Abhinav Gupta	7	3	No	--	--	--
Ms. Noor Gupta	7	3	No	--	--	--
Mr. Piyush Gupta	7	6	Yes	--	--	--
Mr. Anil Aggarwal	7	5	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 and Promoter Directors. Non-executive Independent Directors do not hold any share or convertible instruments in the Company as on March 31, 2020 except Mr. Sanjay Arora. He holds 420 equity shares original allotted to him many years before he became Director in the Company. Ms. Noor Gupta, a Non Executive Promoter Director, holds 445,849 (3.5%) equity shares.

The Board and the Committees thereof regularly provided with all the statutory and other important items/ information including those envisaged in Listing Regulations either as part of agenda papers well in advance of the Board/Committee Meetings or are tabled in the course of the Meetings 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 the Companies Act, 2013 and Listing Regulations and are independent of management,

Independent Directors plays an important role in the governance processes of the Board. They bring

## **ASHNOOR TEXTILE MILLS LIMITED**

their expertise and experience in the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest. The independent Directors on the Board of the Company are distinguished people who have wide experience in the field of various fields viz. business, commerce, industry, finance, company law and administration. The Company's familiarization program explains the roles, rights, responsibilities in the Company, natures 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/2020/08/Familization-Programs.pdf>.

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

Pursuant to provisions of Regulation 17 (5) of Listing Regulations, the Company has adopted a Code of Conduct for all its Board Members and Senior Managerial Personnel. All the members of the Board and the Senior Managerial Personnel have affirmed compliance with the Code of Conduct as on March 31, 2020 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/2020/08/Code-of-Conducts-For-the-Board-Members-and-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 quality control, operations, research and development, marketing, Finance, legal matters and logistics. The Board of Directors and Key Managerial Personnels possess requisite skill, expertise and competence. Details of Directors having above skills, expertise and competence are as follows:

Mr. Suneel Gupta-Managing Director has expertise in company's administration, quality control, purchase, production and quality control, logistics. Mr. Abhinav Gupta-Whole time Director is expert in marketing. Dr. (Mrs.) Sangeeta Gupta is vast experience in the field of administration. Ms. Noor Gupta is having skill of business administration. Mr. Sanjay Arora and Ms. Divya Aggarwal are Chartered Accountants and are experts in Finance, Auditing etc while Mr. Anil Aggarwal is expert in Corporate and other Laws, Finance, Banking and investment.

### **3. Committees of the Board**

The Board has following 3 (Three) Committees as on March 31, 2020:

- Audit Committee;
- Nomination and Remuneration Committee; and
- Stakeholders Relationship Committee.

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

#### **I. Audit Committee**

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

During the year under review, 4 (four) Meetings of Audit Committee were held on May 27, 2019, August 13, 2019, November 14, 2019 and February 13, 2020. All the Members of the Committee were present in the Meetings.

## ASHNOOR TEXTILE MILLS LIMITED

The composition of the Audit Committee is as under:

Serial Number	Name of Members	Status	Category	Number of Meetings held	Number of Meetings Attended
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

\*Resigned from the Board effective from July 24, 2020

Mr. Piyush Gupta has been designated 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 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 (A) of Schedule-II of the Listing Regulations and it reviews the information as given in Part-C (B) of Schedule-II of the Listing Regulations.

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

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

## **ASHNOOR TEXTILE MILLS LIMITED**

### **II. Stakeholder Relationship Committee**

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

During the year under review, 4 (four) meetings of the Stakeholder Relationship Committee were held on May 27, 2019, August 13, 2019, November 14, 2019 and February 13, 2020. 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-Promoter	4	4

\*Resigned from the Board effective from July 24, 2020

Mr. Piyush Gupta has been designated as Chairman of the Stakeholder Relationship 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, was designated as the Compliance Officer as per the requirements of the Listing Regulations. However, she has resigned effective from the Company with effect from February 29, 2020. 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, one Investor Grievance was pending. During the financial year 2019-2020 under review, the Company had received 4 (Four) Investor Grievances pertaining to investor related matters. All the Investor Grievances have been attended and disposed off and no grievance was pending as on March 31, 2020.

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**

### **III. 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 5, 2019 and March 18, 2020. The composition of the Nomination and Remuneration Committee is as under:

<b>Serial Number</b>	<b>Name of the 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	2	2
2.	Mr. Anil Aggarwal	Member	Non-Executive Independent Director	2	2
3.	Mr. Sanjay Arora	Member	Non-Executive Independent Director	2	1

\*Resigned from the Board effective from July 24, 2020

#### **(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:

- 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, key managerial 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.

## ASHNOOR TEXTILE MILLS LIMITED

### (d) Remuneration of Directors

Details of remuneration paid to Managing/Whole Time Directors for the year ended March 31, 2020 is given below:

	<b>Amount in Lakh</b>		
<b>Name and Designation</b>	<b>Suneel Gupta- Managing Director</b>	<b>Sangeeta Gupta- Whole time Director</b>	<b>Abhinav Gupta- Whole time Director</b>
<b>Sitting Fee</b>	0	0	0
<b>Consolidated Salary</b>	15.00	12.00	15.00
<b>Perquisites and Allowances</b>	0	0	0
<b>Commission Paid</b>	0	0	0
<b>Total Remuneration</b>	15.00	12.00	15.00
<b>Date of Re-appointment</b>	January 10, 2020	May 1, 2020	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.

### 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>
2016-2017	September 25, 2017	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 a. m.
2017-2018	September 29, 2018		
2018-2019	September 27, 2019		

In 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 resolutions 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.

## **ASHNOOR TEXTILE MILLS LIMITED**

In Annual General Meeting held on September 27, 2019, the members passed four special resolutions related to Re-appointment Managing Director, Re-appointment of Whole Time Director, Re-appointment of Independent Director for 2<sup>nd</sup> term of consecutive period of 5 years and Payment of remuneration to non-executive Directors including Independent Directors a sum not exceeding 1% of net profit.

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>	www.ashnoortex.com

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 37<sup>th</sup> Annual General Meeting (Proposed)**

The 37<sup>th</sup> Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Wednesday, September 30, 2020, at 4:00 p. m. IST through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”),

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

The Company expects to announce the un-audited quarterly results for the year 2020- 2021, as per the following schedule:

First Quarter	:	On or before August 14, 2020
Second Quarter	:	On or before November 14, 2020
Third Quarter	:	On or before February 14, 2021
Fourth Quarter/Annual	:	On or before May 30, 2021

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

The Board of Directors has not recommended any dividend for the financial year 2019-2020.

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

The Company’s Register of Members and Share Transfer Book will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (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 2020-2021.

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

BSE, Mumbai: 507872



## **ASHNOOR TEXTILE MILLS LIMITED**

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

Prices in INR

<b>Month</b>	<b>Monthly High Price</b>	<b>Monthly Low Price</b>	<b>Monthly Closing Price</b>
April 2019	17.00	14.00	15.15
May 2019	15.15	11.40	15.15
June 2019	17.40	13.80	15.95
July 2019	16.65	12.75	13.05
August 2019	16.24	11.71	12.50
September 2019	14.35	11.78	12.71
October 2019	12.59	10.47	11.78
November 2019	13.77	11.45	11.45
December 2019	14.00	10.94	13.74
January 2020	16.22	13.18	14.74
February 2020	14.05	10.82	11.32
March 2020	11.88	9.05	10.01

Source: bseindia.com

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

<b>Month</b>	<b>Monthly Closing Sensex at BSE</b>	<b>Monthly Closing Price In Rupees</b>
April 2019	39031.55	15.15
May 2019	39714.20	15.15
June 2019	39394.64	15.95
July 2019	37481.12	13.05
August 2019	37332.79	12.50
September 2019	38667.33	12.71
October 2019	40129.05	11.78
November 2019	40793.81	11.45
December 2019	41253.74	13.74
January 2020	40723.49	14.74
February 2020	38297.29	11.32
March 2020	29468.49	10.01

Source: bseindia.com

## ASHNOOR TEXTILE MILLS LIMITED

### (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:  
Noble Heights, 1<sup>st</sup> Floor,  
NH-2, Janankpuri,  
New Delhi-110058

### (j) Share Transfer System

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.

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

#### (i) Distribution of Shareholding of the Company as on March 31, 2020

Range of Equity Shares In Rupees	Shareholders		Share Capital Amount In Rupees			Share Capital Amount	
	Number	%	Physical	NSDL Demat	CDSL Demat	Rupees	%
0 – 5000	16,355	95.16	18,968,450	2,560,160	1,478,300	23,006,910	18.05
5,001 – 10,000	565	3.29	2,859,950	655,100	429,860	3,944,910	3.09
10,001 – 20,000	166	0.97	1,196,800	615,110	456,710	2,268,620	1.78
20,001 – 30,000	41	0.24	284,080	349,730	358,730	992,540	0.78
30,001 – 40,000	19	0.11	343,520	35,800	289,670	668,990	0.52
40,001 – 50,000	8	0.05	129,500	0	223,580	353,080	0.28
50,001 –1,00,000	14	0.08	163,310	310,840	440,180	914,330	0.72
1,00,001 and Above	18	0.10	114,100	71,756,230	23,438,780	95,309,110	74.78
<b>Total</b>	<b>17,186</b>	<b>100</b>	<b>24,059,710</b>	<b>76,282,970</b>	<b>27,115,810</b>	<b>127,458,490</b>	<b>100</b>

#### (ii) Shareholding Pattern of the Company as on March 31, 2020

Category of Shareholders	Number of Share holders	Number of Shares held	Percentage of holding
Promoters	4	9,279,862	72.81
Financial Institutions, Mutual Funds and Banks	1	3,080	0.02
NRIs	10	22,861	0.18
Foreign Nationals	10	14,168	0.11
Individual shareholding-Nominal share capital upto Rs.2 lakh	16,903	3,219,684	25.27

## **ASHNOOR TEXTILE MILLS LIMITED**

Individual shareholding-Nominal share capital in excess of Rs.2 lakh	1	78,610	0.62
Private Corporate Bodies	72	27,344	0.21
HUF	42	43,812	0.34
Clearing Members	5	9,262	0.07
Trust	2	25,886	0.20
NBFCs registered with RBI	1	21,280	0.17
<b>Total</b>	<b>17,051</b>	<b>12,745,849</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.

**(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. 81.12% of the paid-up share capital had been dematerialized as at March 31, 2020 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

### **7. Other Disclosures**

**(a) Related Party Transactions**

During the year, the Company has no material significant related party transactions with any related party, which is considered to have conflict with the interests of the Company at large. However, a small related party transaction is given in note number 39(b) of the Financial Statements. 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 39(b) in Notes to Financial Statements. Web link of policy on dealing with related party transactions is: <http://ashnoortex.com/wp-content/uploads/2020/08/Poily-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.

## **ASHNOOR TEXTILE MILLS LIMITED**

**(c) Vigil Mechanism and 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. The mechanism provides adequate safeguard against victimization of employees and directors who avail of the vigil mechanism. The Company do hereby affirms that no person has been denied access to Audit Committee. Web link of policy on vigil mechanism has been provided in the Directors' Report.

**(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.

**(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/2020/08/Policy-for-Material-Subsidiary.pdf>

**(f) Risk Management**

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

**(g) Code of Conduct**

Pursuant to provisions of the Companies Act and Listing Regulations and in view to 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. Regulations and this includes the duties of independent directors as laid down in the Act. This code has been circulated to all the Directors and Senior Management Personnel. The Board members and senior management personnel affirm compliance with the code of conduct every year. 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/2020/08/Code-of-Conducts-For-the-Board-Members-and-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) Foreign Exchange Risk/Hedging Activities and Commodity Price Risk**

During the 2019-2020, there was foreign exchange fluctuation risk due in the rate of INR versus US\$/Euro. But, the Company adopted suitable hedging strategy to minimize the risk. Details of foreign currency risk is given in note number 35(c)(iii) of Financial Statements. 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) Conditions of Corporate Governance**

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

## **ASHNOOR TEXTILE MILLS LIMITED**

**(k) Disqualification of Directors**

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.

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

At present, the Company has 1584 Shareholders holding 250,404 shares, whose Shareholding are lying undelivered /unclaimed (Previous year: 252,983 shares of 1,589 shareholders).

**(m) Conversion of Warrants into Equity Shares**

During the year the Company has converted remaining 250,000 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 to Regulation 32 (7A) be informed that the Company has used all the money so raised till March 31, 2020 for expansion of business, general corporate purposes, working capital and repayment of existing loan.

**(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/shareholders 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 the results 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 2019-2020.

**8. Compliance Certificate**

The above Certificate was placed before the Board meeting held on July 28, 2020. The Compliance Certificate for Corporate Governance issued by the Statutory Auditors of the Company is annexed with this report.

**9. 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 July 28, 2020.

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

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

Place: Gurugram  
Date: July 28, 2020

# **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, 2020 as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

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

**Place: Gurugram**  
**Date: July 28, 2020**

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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, 2020, 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, 2020.

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: July 28, 2020**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **A. Business overview of Ashnoor Textile Mills Limited (ATML)**

Ashnoor Textile Mills Limited is engaged in 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 important components are Dyes and chemicals, 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 2024-2025). It is a sector, which provides livelihood 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**

2020 has been an exceptional year in which the global economy was unexpectedly hit by pandemic COVID-19 in a severe manner. According to world economic outlook by IMF, the world economy is projected to show a de-growth of about 3% in 2020. However, there are great chances and rather it looks to be an almost certainty that the vaccine for COVID-19 will be there with us this year only. The silver lining lies in the fact that the interest rates world over have fallen to 0 -2%. There has been unleashing of trillions of dollars by various governments to counter the damage of COVID-19. Due to above steps and hope for an early vaccine, the global economy is projected to grow by about 5.8% in 2021.

Since the company is exporting 90% of its products to the USA, it is particularly affected by the growth outlook in that country. The US economic growth is expected to be about 4.7% in 2021.

#### **Indian Economy**

India has also been very badly hit and the first quarter of financial year 2020 -2021 is almost a washout. For the first time, the IMF has projected a de-growth of about 2% in 2020. Reserve Bank of India slashed the REPO rate substantially in the credit policies post COVID-19 and the interest cost structure of business enterprises is expected to go down to the extent of about 2% with the gradual transmission of rate cuts by the banks. The

## **ASHNOOR TEXTILE MILLS LIMITED**

steep correction of crude oil prices post Covid has also been a benefit to the country. However the country is expected to grow by 7.4% in 2021.

### **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 cotton yarn prices have fallen in the first half of the FY 2020-2021 due to fall in demand and expectation of good cotton crop.

### **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.

Covid has severely affected the towel industry as the end use of towels is hotel industry which is very badly hit. The tour and travel industry is the last to revive post pandemic and so the first half of the financial year 2020-2021 is very challenging for the towel industry. However, it is likely to revive in the second half of the financial year.

### **Foreign Exchange**

India's currency has faced considerable volatility in the last two years vis-a-vis the US dollar. There was great pressure on the rupee in the month of March and April 2020 after which the same is retracing back. With the lower level of crude and lower imports post COVID -19, this financial year is likely to remain current account surplus. Presently, the rupee is hovering around 75 and with the comfortable foreign exchange reserves, it looks to be in a stable zone around this level. 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**

The government has been very helpful in introducing liberal incentives in form 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 most 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. The uncertain US China relations and US presidential elections are two major uncertain factors.

### **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



## **ASHNOOR TEXTILE MILLS LIMITED**

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, revenue from operations increased marginally by 6.51% from Rs.12,854.43 lakh in previous year to Rs.13,691.45 lakh in current financial year. However, profits after tax reduced by 21.93% from Rs.414.29 lakh in the previous year to Rs.323.44 lakh in the current financial year due to higher cost of raw material.

However, the balance sheet of the company has strengthened as the company has ploughed back all the cash accruals. The capital expenditure of the company during the year has been financed by way of unsecured loans from directors. The Company had planned the expansion by way of installation 12 imported looms which was postponed in March 2020 although the term loan had been sanctioned by the bankers. The company opted not to avail the term loan.

In the current year, the first quarter was very bad and recovery has started from July onwards and the things will start to be normal gradually. The Company has taken a number of steps to control the damage inflicted by the COVID-19 in form of effective liquidity management, control of expenses and financial planning.

### **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. During the year, debt equity ratio increased by 88.70% due to net addition in fixed assets of Rs.810.98 Lakh mainly by bank finance. However, debt equity ratio is within norms. Return of net worth decline by 29.81% mainly because higher cost of raw material and impact of COVID-19 in the last month of financial year.

### **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: July 28, 2020

# ASHNOOR TEXTILE MILLS LIMITED

FORM NUMBER- MR-3

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

*[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, 2020 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, 2020, 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;

## ASHNOOR TEXTILE MILLS LIMITED

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

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

- a) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India; and
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 except where consent of the Directors was received for

## **ASHNOOR TEXTILE MILLS LIMITED**

scheduling meeting at a shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We also report that during the year, the Company has converted remaining 250,000 warrants into similar number of equity shares of Rs.10/- each at a price of Rs.22/- per share to promoter group and complied with all the applicable provisions.

We also report that due to declaration of nation-wide lockdown by the Central Government due to COVID-19, the Company had closed its manufacturing activities from March 25, 2020, which were started again later on.

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  
UDIN: F005695B000600498  
Date: August 20, 2020  
Place: New Delhi**

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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.

# **ASHNOOR TEXTILE MILLS LIMITED**

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

The Members,  
Ashnoor Textile Mills Limited  
Behrampur Road, Village Khandasa  
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 a reasonable basis for our opinion.
3. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management as conducted the affairs of the Company.

**For Anil Arora & Associates  
Company Secretaries**

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

**CP Number: 4775  
UDIN: F005695B000600498  
Date: August 20, 2020  
Place: New Delhi**

# ASHNOOR TEXTILE MILLS LIMITED

## **Secretarial Compliance Report of Ashnoor Textile Mills Limited for the financial year ended March 31, 2020**

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 exchange,
- (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, 2020 (“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 and circulars/ guidelines issued thereunder;

Based on the above examination, I/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:-

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

## **ASHNOOR TEXTILE MILLS LIMITED**

- (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 my/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:

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

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

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

**For Anil Arora & Associates  
Company Secretaries**

**Sd-  
Anil Kumar Arora  
Proprietor  
FCS Number: 5695  
CP Number: 4775  
UDIN: F005695B000521078  
Place: New Delhi  
Date: July 29, 2020**

# **ASHNOOR TEXTILE MILLS LIMITED**

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

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ashnoor Textile Mills Limited having CIN: **L17226HR1984PLC033384** and having registered office at **Behrampur, Khandsa Village, 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, 2020 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	09/03/1994
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

\*resigned effective from July 24, 2020

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

**For Anil Arora & Associates  
Company Secretaries**

Sd/-  
**Anil Kumar Arora**  
Proprietor  
FCS Number: 5695  
CP Number: 4775  
UDIN: F005695B000600476

Place: New Delhi  
Date: August 20, 2020



# **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, 2020, 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, 2020, 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 17.1 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**

**UDIN: 20090841AAAAAV4734**

**Place: New Delhi**

**Date: July 28, 2020**

# **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, 2020**

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,

## **ASHNOOR TEXTILE MILLS LIMITED**

Tax Deducted at Sources, Tax Collected at Source, Sales Tax, Value Added Tax, Wealth Tax, 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, 2020 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, 2020.
- (xiv) During the year the Company has converted 250,000 Convertible Share Warrant into equity shares 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**  
**UDIN: 20090841AAAAAV4734**  
**Place: New Delhi**  
**Date: July 28, 2020**

# **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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

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

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

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

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

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

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

A company's internal financial control over financial reporting is a process designed reasonable assurance

## **ASHNOOR TEXTILE MILLS LIMITED**

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, 2020, 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**

**UDIN: 20090841AAAAAV4734**

**Place: New Delhi**

**Date: July 28, 2020**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **BALANCE SHEET AS AT MARCH 31, 2020**

<b>PARTICULARS</b>	<b>NOTE NUMBER</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	2	294,404,591	240,323,979
(b) Financial Assets			
(i) Investments	3	5,016,095	3,916,095
(c) Other Non Current Assets	4	12,876,093	18,558,883
<b>Current Assets</b>			
(a) Inventories	5	318,180,898	233,270,009
(b) Financial Assets			
(i) Investments	6	4,504,180	-
(ii) Trade Receivables	7	373,358,157	336,654,179
(iii) Cash and Cash Equivalents	8	4,233,800	8,133,773
(iv) Other Bank Balances	9	18,408,482	19,208,904
(d) Other Current Assets	10	138,283,826	98,138,159
<b>Total Assets</b>		<b>1,169,266,122</b>	<b>958,203,981</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	11	127,395,036	124,895,036
(b) Amount Received Against Share Warrant	12	-	1,375,000
(b) Other Equity	13	233,790,441	198,446,696
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	96,044,259	45,758,149
(b) Provisions	15	4,527,354	6,459,963
(c) Deferred Tax Liability (Net)	16	28,949,169	24,034,730
(d) Other Non-Current Liabilities	17	2,205,076	2,205,076
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	442,806,511	409,325,861
(ii) Trade Payables	19	131,521,998	105,274,513
(iii) Other Financial Liabilities	20	71,851,507	10,565,135
(b) Other Current Liability	21	19,754,146	15,913,136
(c) Provisions	22	10,420,625	13,950,686
<b>Total Liabilities</b>		<b>1,169,266,122</b>	<b>958,203,981</b>

**Notes on Financial Statement  
Significant Accounting Policies**

**2 to 40  
1**

As per our report of even date attached

**For Agarwal & Gupta  
Chartered Accountants**

**For Ashnoor Textile Mills Limited**

Sd/-  
HEMENDRA KUMAR GUPTA  
Partner  
Membership Number: 090841  
UDIN: 20090841AAAAAV4734

Sd/-  
SUNEEL GUPTA  
Director  
DIN-00052084

Sd/-  
SANGEETA GUPTA  
Director  
DIN-00052121

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

Place: New Delhi  
Date: July 28, 2020

# ASHNOOR TEXTILE MILLS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	NOTE NUMBER	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
<b>INCOME</b>			
(I) Revenue from Operations			
(a) Sale of Products	23	1,368,058,251	1,283,788,894
(b) Sale of Service		1,087,204	1,654,356
(II) Other Income	24	3,173,812	1,497,412
<b>Total Income</b>		1,372,319,267	1,286,940,662
<b>(III) Expenses</b>			
(a) Cost of Material Consumed	25	1,160,603,908	1,024,889,631
(b) Purchase of Stock-in-Trade	26	22,057,388	26,863,941
(c) Change in Inventory of finished, work-in-progress and stock-in-trade	27	(42,781,171)	(29,122,404)
(d) Employee Benefit Expenses	28	15,915,148	23,571,248
(e) Finance Costs	29	28,068,442	62,406,974
(f) Depreciation Expenses	2	28,483,037	23,358,763
(g) Other Expenses	30	119,550,930	105,693,429
<b>Total Expenses</b>		1,331,897,682	1,237,661,584
<b>(IV) Profit Before Exceptional and Extraordinary Items and Tax</b>		40,421,585	49,279,079
(V) Extra Ordinary Items	31	312,860	(251,322)
<b>(VI) Profit Before Tax</b>		40,734,445	49,027,757
(VII) Tax Expenses			
(a) Current Tax		(3,476,262)	(10,800,000)
(b) Deferred Tax		(4,914,439)	3,201,299
<b>(VIII) Profit For the Year</b>		32,343,744	41,429,056
(IX) Earning Per Equity Share			
(a) Basic Earning Per Share		2.59	3.32
(b) Diluted		2.59	3.32
(c) Weighted Average Number of Equity Shares		12,745,849	12,495,849
<b>(X) Notes on Financial Statements</b>	<b>2 to 40</b>		
<b>(XI) Significant Accounting Policies</b>	<b>1</b>		

As per our report of even date attached

For Agarwal & Gupta  
Chartered Accountants

Sd/-  
HEMENDRA KUMAR GUPTA  
Partner  
Membership Number: 090841  
UDIN: 20090841AAAAAV4734

Place: New Delhi  
Date: July 28, 2020

For Ashnoor Textile Mills Limited

Sd/-  
SUNEEL GUPTA  
Director  
DIN-00052084

Sd/-  
SANGEETA GUPTA  
Director  
DIN-00052121

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



# **ASHNOOR TEXTILE MILLS LIMITED**

## **CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

<b>S.No.</b>	<b>PARTICULARS</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
		<b>₹</b>	<b>₹</b>
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit/(Loss) Before Tax and Extraordinary Items</b>	<b>40,421,585.05</b>	49,279,078.62
	<b>Adjustments for :</b>		
	Depreciation	<b>28,483,037.00</b>	23,358,763.00
	Other Income	<b>(1,659,533.46)</b>	(31,786,058.37)
	Interest Paid	<b>25,048,395.69</b>	29,795,875.87
	<b>Operating Profit Before Working Capital Changes</b>	<b>95,612,551.20</b>	134,219,775.86
	<b>Adjustments for:</b>		
	Trade and Other Receivables	<b>(71,166,855.33)</b>	(87,793,721.71)
	Inventories	<b>(84,910,888.85)</b>	(28,885,581.47)
	Trade Payments	<b>90,826,636.50</b>	(24,089,009.93)
	<b>Cash Generated from Operations</b>	<b>30,361,443.52</b>	(6,548,537.25)
	Interest Paid	<b>25,048,395.69</b>	29,795,875.87
	Net Gain/Loss on Foreign Currency Transactions	<b>36,228,902.33</b>	(30,300,312.59)
	Income and Fringe Benefit Tax	<b>8,390,700.56</b>	7,598,701.00
	<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>33,151,249.60</b>	(74,243,426.71)
	Extraordinary Items	-	(320,174.00)
	<b>Net Cash from Operating Activities</b>	<b>33,151,249.60</b>	(74,563,600.71)
<b>B.</b>	<b>CASH FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	<b>82,675,789.00</b>	19,127,613.28
	Sale of Fixed Assets	<b>425,000.00</b>	136,136.00
	Investments	<b>(5,604,180.00)</b>	(1,088,857.00)
	Interest and Other Income	<b>(37,888,435.79)</b>	(1,485,745.78)
	<b>Net Cash from Investing Activities</b>	<b>(125,743,404.79)</b>	(21,566,080.06)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Issue of Share Capital/Share Application	<b>2,500,000.00</b>	17,500,000.00
	Proceeds from Long Term Borrowings	<b>50,286,110.06</b>	(13,926,829.06)
	Proceeds from Other Borrowings	<b>33,480,650.00</b>	69,109,421.00
	Public Issue and Other Expenses	-	-
	Proceeds from Issue of Share Warrant and Premium	<b>1,625,000.00</b>	22,375,000.00
	<b>Net Cash from Financing Activities</b>	<b>87,891,760.06</b>	95,057,591.94
<b>D.</b>	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,700,395.13)</b>	(1,072,088.83)
	Opening Balance of Cash and Cash Equivalents	<b>27,342,677.24</b>	28,414,766.07
	Closing Balance of Cash and Cash Equivalents	<b>22,642,282.11</b>	27,342,677.24

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

### **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 Textile Mills Limited for the year ended March 31, 2020. 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**  
**UDIN: 20090841AAAAAV4734**

**Place: New Delhi**  
**Date: July 28, 2020**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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### **NOTE NO – 1**

#### **SIGNIFICANT ACCOUNTING POLICIES**

**a) Corporate Information**

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

**b) Basis of Preparation and Presentation**

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

**c) Property, plant and equipment**

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

**d) Depreciation**

- i. Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013..
- ii. Depreciation on additions to fixed asset during the year has been provided on pro rata basis from the date of such addition.
- iii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- iv. Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.
- v. Depreciation on amount, added to/reduced from the cost of asset consequent to increase/decrease in liability towards creditors for capital goods, due to change in foreign exchange rate, is provided prospectively for the remaining life of the assets at the rates on which concerned asset has been depreciated so far.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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**e) Impairment of Assets**

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

**f) Capital Work in Progress**

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

**g) Use of Estimates**

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

**h) Cash and Cash Equivalents**

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

**i) Cash Flow Statement**

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

**j) Finance Cost**

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

**k) Inventories**

- i. Inventory of raw material, packing material, fuels, consumables, dyes and chemicals, are valued on Lower of Cost and Net Realizable Value. Cost is calculated on First in First out (FIFO) basis of costing and is net of subsequently recoverable duties and taxes.
- ii. Stock in progress is valued at Lower of Cost and Net Realizable Value. Costs include raw material cost, ascertained on the basis of average cost of purchases, and direct cost incurred up to the stage of production of Grey Yarn, processing and fabrication. Inventory lying for more than six months is valued at half of cost of production.
- iii. Finished goods are valued at Lower of Cost and Net Realizable Value. Cost includes raw material cost, ascertained on the basis of average cost of purchases, and direct cost. Old inventory lying for more than

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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six months is valued at half of cost of production. Inventory of rejected finished goods is valued at Net Realizable Value.

- iv. Inventory of carpets and trading items is valued on lower of cost and net realizable value.
- v. Inventory of waste is valued on net realizable value.
- vi. Stores and Spares are charged to expenses on purchase and no inventory is maintained.

### **l) Investments**

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

### **m) Retirement Benefits**

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

### **n) Provisions, contingent liabilities and contingent assets**

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

### **o) Revenue Recognition**

- i. 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.
- ii. Export Sale is recorded at the foreign currency exchange rate prevailing on the date of the transaction.
- iii. Sales are recorded on invoice value net of discounts and rebates.

### **p) Foreign Currency Transactions**

- i. 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.
- ii. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- iii. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

### **q) Taxation**

#### **Deferred Tax:**

Deferred tax is recognized, on timing differences, being the difference between taxable and accounting

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# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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

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

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

### **Current Tax**

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

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

### **r) Financial Instruments**

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

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

#### **A. Financial assets:**

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

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

###### **i. Financial assets at Amortised Cost:**

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

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

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

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

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

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

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

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# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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### **b. Impairment of financial assets**

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

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

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

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

### **c. De-recognition of financial assets**

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

### **B. Financial liabilities:**

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

### **ii. De-recognition of financial liabilities**

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

### **s) Fair Value Measurement**

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

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

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

### **t) Earning Price Per Share**

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

As per our report of even date attached

**For Agarwal & Gupta**  
Chartered Accountants

Sd/-  
HEMENDRA KUMAR GUPTA  
Partner  
Membership Number: 090841  
UDIN: 20090841AAAAAV4734

Place: New Delhi  
Date: July 28, 2020

**For Ashnoor Textile Mills Limited**

Sd/-  
SUNEEL GUPTA  
Director  
DIN-00052084

Sd/-  
SANGEETA GUPTA  
Director  
DIN-00052121

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

# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### NOTE NUMBER - 2

#### FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01-04-2019 Rupees	Additions during the year Rupees	Adjustments during the year Rupees	As at 31-03-2020 Rupees	As at 01-04-2019 Rupees	For 01-04-2019 Rupees	Adjustments During the year Rupees	As at 31-03-2020 Rupees	As at 31-03-2019 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	7,508,094.00	-	114,645,090.24	63,097,818.24	3,481,414.00	-	66,579,232.24	48,065,858.00
Office Building	2,558,130.00	-	-	2,558,130.00	1,888,482.00	87,808.00	-	1,976,290.00	581,840.00
Water Treatment Plant	203,490.00	-	-	203,490.00	38,663.00	38,663.00	-	77,326.00	126,164.00
Electric Installation	6,953,399.00	-	-	6,953,399.00	2,693,411.00	648,125.00	-	3,341,536.00	3,611,863.00
Plant and Machinery	519,633,617.72	68,965,119.00	(1,200,000.00)	587,398,736.72	353,704,084.97	20,372,323.00	(1,200,000.00)	372,876,407.97	214,522,328.75
ETP Plant	2,243,785.00	4,582,309.00	-	6,826,094.00	913,814.00	648,480.00	-	1,562,294.00	5,263,800.00
Generator Set	9,004,351.00	-	-	9,004,351.00	8,645,127.00	22,082.00	-	8,667,209.00	337,142.00
Furniture and Fixture	1,104,432.00	440,460.00	-	1,544,892.00	353,768.00	146,768.00	-	500,536.00	1,044,356.00
Office Equipment	585,570.00	74,030.00	(96,873.00)	562,727.00	336,336.00	106,919.00	(78,317.00)	364,938.00	197,789.00
Computers	771,241.00	232,205.00	(281,140.00)	722,306.00	342,752.00	228,728.00	(187,556.00)	383,924.00	428,489.00
Vehicles	27,779,900.00	873,572.00	-	28,653,472.00	14,193,797.07	2,701,727.00	-	16,895,524.07	13,586,102.93
<b>Grand Total</b>	<b>686,532,031.96</b>	<b>82,675,789.00</b>	<b>(1,578,013.00)</b>	<b>767,629,807.96</b>	<b>446,208,053.28</b>	<b>28,483,037.00</b>	<b>(1,465,873.00)</b>	<b>473,225,217.28</b>	<b>240,323,978.68</b>
<b>Previous year</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>446,208,053.28</b>	<b>239,201,211.40</b>



# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>3 NON CURRENT INVESTMENTS</b>		
<b>Long Term Trade Investments</b>		
<b>Investment in Equity Instruments: Quoted at Cost</b>		
8,325 (8,325) Equity Shares of Anant Raj Limited	616,095	616,095
<b>Investments in Unit Link Plan- Quoted at Cost</b>	<b>4,400,000</b>	<b>3,300,000</b>
	<b>5,016,095</b>	<b>3,916,095</b>
<b>Market Value of Quoted Investments</b>	<b>164,835</b>	<b>279,304</b>
<b>Net Asset Value of Investment in Mutual Fund/ULP</b>	<b>4,400,000</b>	<b>3,300,000</b>
<b>4 OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured and Considered Good)</b>		
<b>Advance other than Capital Advances</b>		
Security Deposits	2,876,093	2,876,093
Other Advances	10,000,000	15,682,790
	<b>12,876,093</b>	<b>18,558,883</b>
<b>5 INVENTORIES</b>		
<b>(As certified by the management and valued at lower of cost and net realizable value)</b>		
a) Raw Materials	72,816,956	47,043,627
b) Stock-in-progress	111,805,931	84,556,563
c) Finished Goods	105,833,341	88,454,643
d) Rejected Stock	3,576,431	5,423,326
e) Stores and Spares	24,148,238	7,791,850
	<b>318,180,898</b>	<b>233,270,009</b>
<b>6 INVESTMENT- CURRENT</b>		
<b>Short Term Trade Investments</b>		
<b>Investment in Equity Instruments: Quoted at Cost</b>		
100 (Nil) Equity Shares of IDFC First Bank	4,180	-
<b>Investment in Mutual Fund- Quoted at Cost</b>		
443.494 Units of Baroda Ultra Short Duration Fund	500,000	-
799 units of HDFC Mutual Fund	3,000,000	-
1000 Units of ICICI Prudential Mutual Fund	1,000,000	-
	<b>4,504,180</b>	<b>-</b>
<b>Market Value of Quoted Investments</b>	<b>4,611,835</b>	<b>279,304</b>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>7 TRADE RECEIVABLES</b>		
(Unsecured and Considered Good)		
Outstanding for a period less than six months from the date they are due for payment :-	<b>339,586,841</b>	326,989,249
Outstanding for a period More than six months from the date they are due for payment :-	<b>33,771,316</b>	9,664,930
	<b>373,358,157</b>	<b>336,654,179</b>
<b>7.1</b> Confirmation from customers were not received and their balances are shown as appearing in the accounts.		
<b>8 CASH AND CASH EQUIVALENTS</b>		
a) Balances with Banks:		
Current Accounts	<b>4,171,574</b>	6,256,001
b) Cash on Hand	<b>62,226</b>	1,877,772
	<b>4,233,800</b>	<b>8,133,773</b>
<b>9 OTHER BANK BALANCES</b>		
In Bank Deposits*	<b>18,408,482</b>	19,208,904
	<b>18,408,482</b>	<b>19,208,904</b>
* Represents Bank deposit with original maturity over three months from the date of balance sheet. it includes balance with banks to the extend heal as margin money or security against the borrowings, guarantees and other Commitments.		
<b>10 OTHER CURRENT ASSETS</b>		
Advance Tax and TDS	<b>10,175,608</b>	10,102,038
Receivable from Government Authorities	<b>86,493,459</b>	73,827,842
MAT Credit C/F	<b>4,907,738</b>	-
Others	<b>36,707,021</b>	14,208,279
	<b>138,283,826</b>	<b>98,138,159</b>

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.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At</b>	<b>As At</b>
	<b>31-03-2020</b>	<b>31-03-2019</b>
	<b>₹</b>	<b>₹</b>
<b>11 SHARE CAPITAL</b>		
<b>AUTHORIZED</b>		
12,750,000 (12,750,000) Equity Shares of Rs. 10/- each *	<b>127,500,000</b>	127,500,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
12,74,58,490 (12,495,849) Equity Shares of Rs. 10/- each	<b>127,458,490</b>	124,958,490
Calls in Arrears	<b>(63,454)</b>	(63,454)
	<b>127,395,036</b>	124,895,036

On March 18, 2020, the Company has allotted 2.5 Lacs Equity shares of Rs. 10 each at a premium of Rs. 12 each on conversion of Convertible Share Warrants of Rs. 10 each

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

<b>Particulars</b>	<b>As at March 31, 2020</b>		<b>As at March 31, 2019</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
Equity Shares outstanding at the beginning of the year	<b>12,495,849</b>	<b>124,958,490</b>	10,745,849	107,458,490
Shares Issued during the year	<b>250,000</b>	<b>2,500,000</b>	1,750,000	17,500,000
Shares outstanding at the end of the year	<b>12,745,849</b>	<b>127,458,490</b>	12,495,849	124,958,490

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

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

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

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

# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Suneel Gupta	4,261,841	33.44%	4,261,841	33.44%
Mrs. Sangeeta Gupta	2,986,172	23.43%	2,986,172	23.43%
Mr. Abhinav Gupta	1,586,000	12.44%	1,536,000	12.05%

### 11.4 Details of Calls in Arrears

Unpaid Calls	31-03-2020	31-03-2019
By Officers	63,454	63,454
<b>Total</b>	<b>63,454</b>	<b>63,454</b>

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

11.6 The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding March 31, 2020.

PARTICULARS	As At 31-03-2020 ₹	As At 31-03-2019 ₹
<b>12 AMOUNT RECEIVED AGAINST SHARE WARRANT</b>		
Share Application received against Share Warrant	5,500,000	5,500,000
Application Money Utilized to Issue of 750,000 Equity Share	5,500,000	4,125,000
	-	1,375,000
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. Rest 250,000 number of share warrants are converted into equity shares @22/- per share allotted to promoters during this year		
<b>13 RESERVES AND SURPLUS</b>		
<b>(a) Security Premium</b>		
Opening Balance	21,000,000	-
Addition due to Issue of Shares during the Period	3,000,000	21,000,000
<b>Closing Balance</b>	<b>24,000,000</b>	<b>21,000,000</b>
<b>(b) Capital Reserves</b>		
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>
<b>(c) Surplus</b>		
Opening balance	174,212,727	132,783,671
Add: Net Profit for the current year	32,343,744	41,429,056
<b>Closing Balance</b>	<b>206,556,472</b>	<b>174,212,727</b>
<b>Grant Total (a+b+c)</b>	<b>233,790,441</b>	<b>198,446,696</b>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>14 LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
From Bank -		
- Term Loan (Refer Note No 14.2)	23,584,854	6,429,347
- Vehicle Loan (Refer Note No 14.3)	-	290,897
<b>UNSECURED</b>		
- from Directors (Refer Note No. 14.4)	72,459,405	39,037,905
	<u>96,044,259</u>	<u>45,758,149</u>
<b>14.1 Schedule maturity of Long-term borrowings:</b>		
<b>Current Maturity (Refer Note No 14.2)</b>		
Term Loans	15,988,336	10,491,181
Vehicle Loan	287,648	73,954
Director's Loan- Unsecured	55,572,697	-
	<u>71,848,681</u>	<u>10,565,135</u>
<b>Non Current Maturity (Refer Note No 14.2)</b>		
Term Loans	23,584,854	6,429,347
Vehicle Loan	-	290,897
Director's Loan- Unsecured	72,459,405	39,037,905
	<u>96,044,259</u>	<u>45,758,149</u>

Current maturity of long term borrowings are disclosed under "Other Current Liability" in Note Number -20 and Non Current maturity under "Secured Term Loan" in Note Number -14

- 14.2 Term Loan-II 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, 2020 is Rs. 73.88 Lakh
- 14.3 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 34 monthly installments. Outstanding loan amount as on March 31, 2020 is Rs. 224.87 Lakh
- 14.4 Term Loan-IV of is taken during the year from Bank of Baroda for purchase of Machinery, secured by charge against respective Machineries and are repayable in 34 monthly installments. Outstanding loan amount as on March 31, 2020 is Rs. 96.97 Lakh
- 14.5 Vehicle Loan taken from Bank of Baroda against Car and payable in 48 Equated Monthly Installments.
- 14.6 In view of Lockdown and continuous disruptions on account of COVID-19, vide RBI Notification: RBI/2019-20/186, DOR.No.BP.BC.47/21.04.048/2019-20 on dated March 27, 2020 Bank has not deducted the March Instalment from the Term Loan Account.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>14.7</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. From April 01, 2019, As per new agreement with Directors, Company has taken interest free loan from all directors.		
<b>15 LONG TERM PROVISIONS</b>		
Provision for Employee Benefits		
(a) Gratuity (unfunded)	<b>161,058</b>	2,230,636
(b) Bonus	<b>2,493,349</b>	2,788,624
(c) Leave Encashment (unfunded)	<b>1,872,947</b>	1,440,703
	<b>4,527,354</b>	6,459,963
<b>16 DEFERRED TAX LIABILITY (NET)</b>		
Difference of WDV of fixed assets between books and income tax	<b>(107,102,824)</b>	(89,541,037)
Disallowances under section 43B	<b>3,043,985</b>	3,147,328
<b>Net Temporary Difference</b>	<b>(104,058,839)</b>	(86,393,709)
Effective Rate of Income Tax	27.82%	27.82%
<b>Deferred Tax Assets (Liability)</b>	<b>(28,949,169)</b>	(24,034,730)
Less: Charged in Previous Year	<b>(24,034,730)</b>	(27,236,029)
<b>Net Deferred Tax Assets (Liability)</b>	<b>(4,914,439)</b>	3,201,299
<b>17 OTHER NON CURRENT LIABILITIES</b>		
Others (Refer Note No 17.1)	<b>2,205,076</b>	2,205,076
	<b>2,205,076</b>	2,205,076
<b>17.1</b> Interest on late payment of Rs. 2,684,738/- (2018-2019 – Rs. 2,684,738/-) and Rs. 18,725/- (2018-2019 - 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>18 SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>- from Banks</b>		
(a) Packing Credit Limits (Refer Note No 18.1)	<b>250,070,748</b>	222,231,009
(b) Foreign Bills Discounted (Refer Note No 18.1)	<b>192,735,763</b>	187,094,852
	<b>442,806,511</b>	409,325,861
<b>18.1</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		

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>19 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	3,504,601	-
Other than Micro, Small and Medium Enterprises	128,017,397	105,274,513
	<b>131,521,998</b>	<b>105,274,513</b>
<b>19.1</b> 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 31-03-2020</b>	<b>As at 31-03-2019</b>
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	3,504,601	-
(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	-	-
<b>20 OTHER FINANCIAL LIABILITIES</b>		
Current Maturities of Long Term Debt (Refer Note No- 14.1)	71,848,681	10,565,135
Interest Accured on Vehicle Loan	2,826	-
	<b>71,851,507</b>	<b>10,565,135</b>
<b>21 OTHER CURRENT LIABILITIES</b>		
Advance Received From Customers	2,812,239	28,609
Other Paybles	15,570,380	13,654,934
Statutory Dues	1,371,527	2,229,593
	<b>19,754,146</b>	<b>15,913,136</b>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>22 SHORT TERM PROVISION</b>		
<b>(a) Provision for Employee Benefits</b>		
(i) Salary and Reimbursement	1,289,237	2,445,184
(ii) Employees Contribution To Provided Fund	594,834	404,661
(iii) Employees Contribution to ESI	152,554	300,841
<b>(b) Others</b>		
(i) Income Tax	8,384,000	10,800,000
	<b>10,420,625</b>	<b>13,950,686</b>
<b>23 REVENUE FROM OPERATION</b>		
<b>(a) Sale of products</b>		
- Export	1,153,773,509	1,134,408,840
- Domestic	85,738,581	77,050,307
<b>(b) Other Operating Revenues (Refer Note No- 23.1)</b>	<b>128,546,161</b>	<b>72,329,747</b>
	<b>1,368,058,251</b>	<b>1,283,788,894</b>
<b>23.1</b> License received under Merchandise Exports from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (ROSC TL) has been recognized on cash basis i.e. when actual sale will happen.		
<b>24 OTHER INCOME</b>		
(a) Net gain/(loss) on Sale of Investment	535,499	(316,310)
(b) Interest and Dividend	1,360,513	825,040
(c) Other Non Operating Income	1,277,800	988,682
	<b>3,173,812</b>	<b>1,497,412</b>
<b>24.1</b> Statement of Realized Profit/(Loss) on sale of Investments		
Sale of investment (Equity) realized	535,499	(316,310)
Sale of investment (Derivatives) realized	(2,989,148)	2,310,786
	<b>(2,453,649)</b>	<b>1,994,476</b>
<b>25 COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed (Refer Note No 25.1)	742,240,614	670,376,258
Packing Material Consumed	78,193,405	49,107,018
Fuel Consumed	34,692,329	38,264,686
Dyes and Chemicals Consumed	123,864,647	91,574,966
Stores and Spares (Refer Note No 25.2)	20,084,692	15,857,883
Manufacturing Expenses	161,528,221	159,708,819
	<b>1,160,603,908</b>	<b>1,024,889,631</b>



# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	As At	As At
	31-03-2020	31-03-2019
	₹	₹
<b>25.1 Value of imported and indigenous raw materials, stores and spare parts, components consumed and percentage of each to the total consumption:</b>		
<b>Particulars</b>	<b>2019-2020</b>	
	<b>Amount</b>	<b>Percentage</b>
<b>Raw Materials:</b>		
Imported		-
Indigenous	742,240,614	100.00%
<b>Stores and Spares:</b>		
Imported	2,342,659	11.66%
Indigenous	17,742,033	88.34%
<b>Particulars</b>	<b>2018-2019</b>	
	<b>Amount</b>	<b>Percentage</b>
<b>Raw Materials:</b>		
Imported	-	-
Indigenous	670,376,258	100%
<b>Stores and Spares:</b>		
Imported	1,680,959	11%
Indigenous	14,176,924	89%
<b>25.2 IMPORTS (ON COST, INSURANCE AND FREIGHT BASIS)</b>		
Stores and Spares	2,342,659	1,680,959
	<u>2,342,659</u>	<u>1,680,959</u>
<b>26 PURCHASE OF STOCK IN TRADE</b>		
Purchase of Towels and Rugs	21,576,038	26,655,379
Bed sheet, Curtains, Balnket and Others	481,350	208,562
	<u>22,057,388</u>	<u>26,863,941</u>
<b>27 CHANGE IN INVENTORY OF FINISHED GOODS AND STOCK IN PROCESS</b>		
<b>Opening 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>Closing Stocks</b>		
Stock in Progress	111,805,931	84,556,563
Finished Goods	109,409,772	93,877,969
	<u>221,215,703</u>	<u>178,434,532</u>
<b>Change in Inventory</b>	<u>42,781,171</u>	<u>29,122,404</u>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At</b>	<b>As At</b>
	<b>31-03-2020</b>	<b>31-03-2019</b>
	<b>₹</b>	<b>₹</b>
<b>28 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Incentives	14,210,308	22,626,829
Company's Contribution to PF and ESI	219,070	413,701
Staff Welfare	1,485,770	530,718
	<b>15,915,148</b>	<b>23,571,248</b>
<b>29 FINANCIAL COST</b>		
(a) Interest paid on Unsecured Loan	-	5,542,805
(b) Interest on Term Loan and Working Capital	20,928,191	17,874,151
(c) Net Loss on Foreign Currency Transactions	3,004,597	30,300,313
(d) Loss on sale of investment (Derivatives Transaction)	15,449	2,310,786
(e) Processing Charges and Bank Charges	4,120,204	6,378,920
	<b>28,068,442</b>	<b>62,406,974</b>
<b>30 OTHER EXPENSES</b>		
(a) Clearing and Forwarding	48,425,167	40,351,779
(b) Sales Promotion and Documentation	23,767,300	17,325,147
(c) Commission	23,422,514	22,123,053
(d) Travelling and Conveyance	3,495,374	6,382,556
(e) Auditors' Remuneration	100,000	100,000
(f) Electricity and Water Expenses	185,419	360,064
(g) Rent, Rates and Taxes	3,886,263	1,760,563
(h) Insurance	2,209,507	1,547,665
(i) Vehicle Maintenance	1,586,694	1,344,852
(j) Communication Expenditure	543,947	1,900,195
(k) Fees and Subscription	977,663	314,714
(l) Office Maintenance	472,297	302,218
(m) Legal and Professional Charges	5,183,597	5,739,399
(n) Other Office Expenses	5,295,188	6,141,225
	<b>119,550,930</b>	<b>105,693,429</b>
<b>31 EXTRA ORDINARY ITEMS</b>		
Prior Period Income /(Expenses)	-	(320,174)
Fixed Asset/Depreciation Written Back	(112,140)	(67,284)
Profit/(Loss) on Sale of Fixed Assets	425,000	136,136
	<b>312,860</b>	<b>(251,322)</b>
<b>32 EARNING PER SHARE</b>		
Basic and diluted Earning Per Share		
Profit After Tax	32,343,744	41,429,056
Number of Equity Shares	12,745,849	12,495,849
Face value per Equity Share (Rs.)	10.00	10.00
Basic Earning Per Share	2.59	3.32
Diluted Earning Per Share (Rs.)	2.59	3.32

# ASHNOOR TEXTILE MILLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

PARTICULARS	As At	As At
	31-03-2020	31-03-2019
	₹	₹
<b>33 PAYMENT TO AUDITORS</b>		
Audit Fee	100,000	100,000
	100,000	100,000

- 34 Expenditure incurred during construction period of Rs. 75.08 Lacs (Note 2) have been capitalized and Transfer to Temporary Structure Account under Building Block on March 31, 2020

### 35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### (a) Capital Management

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

During the year, the Company issued 2.5 Lacs of Equity shares of Rs. 10 each at a premium of Rs. 12 each on conversion of Convertible Share Warrants of Rs. 10 each amounting to 55 Lacs (2019 - Rs. 385 Lacs)

#### (b) Categories of financial instruments

Particulars	As at 31.03.2020	As at 31.03.2019
<b>A: Financial Assets</b>		
<b>Measured at amortized Cost</b>		
(i) Cash and Cash Equivalents	4,233,800	8,133,773
(ii) Other Bank Balances	18,408,482	19,208,904
(ii) Trade Receivables	373,358,157	336,654,179
(iii) Investment in Mutual Fund and Shares	4,504,180	-
(iv) Investment in Unit Linked and Shares	5,016,095	3,916,095
<b>Total Financial Assets</b>	<b>405,520,714</b>	<b>367,912,951</b>
<b>B: Financial Liability</b>		
<b>Measured at amortized Cost</b>		
(i) Borrowings	538,850,770	455,084,010
(ii) Trade Payables	136,049,352	111,734,476
(ii) Other Financial Liabilities	71,851,507	10,565,135
<b>Total Financial Liabilities</b>	<b>746,751,629</b>	<b>577,383,621</b>

#### (c) Financial risk management objectives

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

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At</b>	<b>As At</b>
	<b>31-03-2020</b>	<b>31-03-2019</b>
	<b>₹</b>	<b>₹</b>

### **FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES- Continue**

#### **(i) Liquidity Risk**

The Company's Current assets aggregate Rs. 8,569.69 Lacs (2019 - Rs. 6,954.05 Lacs) including Current Investments, Cash and cash equivalents and Other Bank Balances of Rs. 271.46 Lacs (2019 - Rs. 273.43 Lacs) against an aggregate Current liability of Rs. 6,763.55 Lacs (2019 - Rs. 5,550.29 Lacs).

Further, while the Company's total equity stands at Rs. 3,611.85 Lacs (2019 - Rs. 3,247.17Lacs), it has non-current borrowings of Rs. 960.44 (2019 - Rs. 457.58 Lacs). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

#### **(ii) Market Risk**

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion and also as current investments. The market value of investments in such equity instruments as at 31st March, 2020 is Rs. 91.77 Lacs (2019 - Rs. 35.59 Lacs ). Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

#### **(iii) Foreign Currency Risk**

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

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

<b>As at March 31, 2020</b>	<b>US \$</b>	<b>Euro</b>
Financial Assets	75.386	-
Financial Liabilities	-	79.33

#### **(iv) Interest Rate Risk**

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

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
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**(v) Credit Risk**

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

**Financial Liabilities**

<b>Particulars</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
Borrowings	<b>538,850,770</b>	455,084,010
Other financial liabilities	<b>71,851,507</b>	10,565,135

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

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

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

<b>Particulars</b>	<b>Fair Value Hierarchy (Level)</b>	<b>As At March 31, 2020</b>
<b>Financial Assets</b>		
(i) Cash and Cash Equivalents	Level 3	4,233,800.11
(ii) Trade Receivables	Level 3	373,358,157.00
(iii) Investment in Mutual Fund and Shares	Level 1	4,504,180.00
(iv) Investment in Unit Linked and Shares	Level 1	5,016,095.00
<b>Financial Liabilities</b>		
(i) Borrowings	Level 3	538,850,770.00
(ii) Trade Payables	Level 3	136,049,352.15

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

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

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>36 Impact of COVID-19 (Global Pandemic)</b>		
The World is facing unprecedented situation in all facets of business and economy with the Covid-19 Pandemic. The company is engaged in manufacture and export of terry towles which is used in hotel industry. So the COVID 19 has affected the company in terms of decline in orders from overseas buyers in the first half of the financial Year 2020-21. However the company has adopted suitable policies to bring more efficiencies and economies . It is felt that the operations will be normal in the second half of the year . The liquidity position of the company continue to be very comfortable and on net basis, loss is not expected in FY 2020-21. So, in view of the Management, there will not be any adverse or material impact on carrying value of assets. The Management also do not estimate and perceive any impact on going concern continuity of the business operations of the company due to Covid-19 Pandemic.		
<b>37</b>		
The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company’s performance, allocate resources based on the analysis of the various performance indicator of the Company. The Company is mainly incorporated with the objects of manufacturer and exporter of Terry Towel and presently engaged in that activity only and all activities of the Company revolve around this main business as a single unit. Further there are no geographical segments as all the operations of the Company are in India. Therefore, there is no separate reportable segment for the Company as per the requirement of Ind AS 108 Operating Segments.		
<b>38 ACTIVITY IN FOREIGN CURRENCY</b>		
<b>Earnings in Foreign Currency (Realization Basis):</b>		
FOB value of Export of Terry Towels	<b>1,153,773,509</b>	1,132,546,793
<b>Expenditure/Remittances in Foreign Currency:</b>		
Stores and Spares	<b>2,342,659</b>	1,680,959
Foreign Travelling	<b>2,505,555</b>	4,681,034
Purchase of Machinery	<b>2,882,982</b>	-
<b>Net Earnings in Foreign Currency</b>	<b>1,146,042,313</b>	1,126,184,800
<b>39 RELATED PARTY DISCLOSURES:</b>		
<b>(a) Following are related parties:</b>		
Key Management Personnel		
Mr. Suneel Gupta		Managing Director
Mrs. Sangeeta Gupta		Whole Time Director
Mr. Abhinav Gupta		Whole Time Director
Ms. Noor Gupta		Director
Mr. Piyush Gupta		Independent Director
Mr. Anil Agarwal		Independent Director
Mr. Sanjay Arora		Independent Director
Mr. Divya Agarwal		Independent Director
Mr. Girish Singh Adhikari		Chief Financial Officer
<b>Significant Influence</b>		
Ashnoor Global LLC		

# **ASHNOOR TEXTILE MILLS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>PARTICULARS</b>	<b>As At 31-03-2020 ₹</b>	<b>As At 31-03-2019 ₹</b>
<b>(b) Related party transactions:</b>		
<b>Kay Management Personnel</b>		
Directors Salary	4,200,000	12,000,000
Sitting Fees	200,000	25,000
CFO Salary	708,552	621,080
Company Secretary Salary	330,000	360,000
<b>Loans and Advance Taken</b>		
Mrs. Sangeeta Gupta	17,426,595	21,158,129
Mr. Suneel Gupta	13,159,032	17,879,776
Mr. Abhinav Gupta	37,696,475	-
Ms. Noor Gupta	59,750,000	-
<b>Interest Payable</b>		
Mr. Suneel Gupta	-	2,479,876
Mrs. Sangeeta Gupta	-	1,603,070
<b>Significant Influence</b>		
<b>Export Sale</b>		
Ashnoor Global LLC	3,121,854	-

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

#### **40 Approval of financial statements**

The Financial Statements for the period ended 31st March 2020 were approved by the Board of Directors and authorised for issue on July 28, 2020

As per our report of even date attached

For Agarwal & Gupta  
Chartered Accountants

Sd/-  
HEMENDRA KUMAR GUPTA  
Partner  
Membership Number: 090841  
UDIN: 20090841AAAAAV4734

Place: New Delhi  
Date: July 28, 2020

For Ashnoor Textile Mills Limited

Sd/-  
SUNEEL GUPTA  
Director  
DIN-00052084

Sd/-  
SANGEETA GUPTA  
Director  
DIN-00052121

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



**ASHNOOR**

**ASHNOOR TEXTILE MILLS LIMITED**

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