



ASHNOOR

Annual Report

2020-2021

Ashnoor Textile Mills Limited



Board of Directors

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

Registered Office and Factory

Behrampur Road
Village Khandsa
District Gurgaon
Haryana - 122 001

Auditors

Messrs 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, 1st Floor, Plot NH 2,
C-1 Block LSC, Near Savitri Market,
Janak Puri, New Delhi-110058



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NOTICE

NOTICE is hereby given that the 38th Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Thursday, September 30, 2021, at 4:00 p. m. IST through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2021, 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 Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2021 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. Sangeeta 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. Sangeeta Gupta (DIN-00052121), 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 ordinary resolution:

“RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act), relevant Rules (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Naresh Kumar Aggarwal (DIN-00224371), who was appointed as Additional Director in Independent Category by the Board of Directors as per provisions of section 161 of the Act and the Articles of Association of the Company and effective from February 27, 2021, holds office of Director upto the date of 38th Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of the Director, be and is hereby appointed as Non Executive Independent Director on the Board of the Company not liable to retire by rotation, for a tenure of five (5) years effective February 27, 2021.

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

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 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. Sanjay Arora (DIN: 07815311), who was appointed as an Independent Director and holds office of Independent

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Director upto May 31, 2022, 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 June 1, 2022 to May 31, 2027 and whose office shall not be liable to retire by rotation.”

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, at the recommendation of the Nomination and Remuneration Committee, Mr. Abhinav Gupta (DIN-02766867) be and is hereby re-appointed as Whole Time Director for a period of three years effective from February 1, 2022 at the remuneration, allowances/ perquisites and other terms and conditions as detailed below and will liable to retire by rotation:

Basic Salary: Not exceeding Rs.5,00,000/- per month as may be approved by the Board of Directors from time to time at the recommendation of Nomination and Remuneration Committee.

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

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

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

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

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

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

Registered Office:
Village Khandsa, Behrampur Road
Gurgaon, Haryana-122001
CIN-L17226HR1984PLCO33384
E-mail: atml_delhi@yahoo.com
Phone: 0124 4809755
Web: ashnoortex.com
Place: Gurugram
Date: August 12, 2021

By the order of the Board

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

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NOTES:

1. **In compliance with the provisions of the Ministry of Corporate Affairs (“MCA”) General Circular No. 02/2021 dated 13th January, 2021 and MCA General Circular No. 20/2020 dated 5th May, 2020 read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, and Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the Company will be conducting this Annual General Meeting (“AGM” or “Meeting”) through Video Conferencing/Other Audio Visual Means (“VC”/“OAVM”).**
2. Link Intime India Private Limited, Registrar & Transfer Agent of the Company shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at note no. 11 below.
3. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/ OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013 (“the Act”).
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI 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 to this Notice. Further, the route map of the venue of the meeting is not annexed hereto as the AGM will be held through VC/OAVM.
5. Corporate/Institutional Members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorization letter to the Scrutinizer at e-mail ID csdeepakbansal@gmail.com with a copy marked to delhi@linkintime.co.in and to the Company at atml_agm@yahoo.com, authorizing its representative(s) to attend and vote through VC/OAVM on their behalf at the Meeting, pursuant to section 113 of the Act.
6. In compliance with General Circular No. 20/2020 dated 5th May, 2020 & General Circular No. 02/2021 dated 13th January, 2021 of Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 & Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated 15th January, 2021 of Securities Exchange Board of India, Notice of the AGM along with the Annual Report for the financial year 2020-2021 are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for the financial year 2020-2021 will be available on the Company’s website www.ashnoortex.com, website of the Stock Exchange, i.e., BSE Limited at www.bseindia.com, and on the website of Company’s Registrar and Transfer Agent, Link Intime India Private Limited at www.linkintime.co.in.
7. 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.

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- b. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
8. Explanatory statements pursuant to Section 102(1) of the Act, relating to the Special Businesses to be transacted at the AGM are annexed hereto.
9. In accordance with the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India and in view of the aforesaid MCA and SEBI Circulars, the Company has 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.
10. 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 Chairman of the various Committees of the Board, Auditors 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 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.
11. **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**
- A) **Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://instameet.linkintime.co.in>. Members are requested to follow the procedure given below:**
- a. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
- b. Select the “**Company**” and ‘**Event Date**’ and register with 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)

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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 25, 2021 with the company on 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 shareholders 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.
- 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. Please note that 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.

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- 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.
- 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 chrome 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. Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- i. 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 or contact on:- Tel: 022-49186175.
- j. 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.
- k. Members have any queries regarding login/e-voting they may contact the Company's Registrar & Share Transfer Agent (RTA), Link Intime India Private Limited Noble Heights, 1st Floor, Plot NH 2 C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 (Phone Number:+91-11-41410592; Fax Number:+91-11-41410591; Email: delhi@linkintime.co.in) or may send email to the Company at atml_agm@yahoo.com.

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

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

The voting period begins on Monday, September 27, 2021 at 9:30 a. m. and ends on Wednesday, September 29, 2021 at 5.30 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 Thursday, September 23, 2021 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

A- Login Method for Individual Shareholders holding securities in demat mode with NSDL:

- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nSDL.com> either on a Personal Computer

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or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.

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

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

- Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
- After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.

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

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

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D-Individual Shareholders holding securities in Physical mode & evoting service

Provider is LINKINTIME

- Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
- Click on **“Sign Up”** under **‘SHARE HOLDER’** tab and register with your following details: -
 - a) **User ID:** 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.
- Shareholders/ members holding shares in **physical form** but have not recorded ‘c’ and ‘d’, shall provide their Folio number in ‘d’ above
- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click **“confirm”** (Your password is now generated).
 - a. Click on ‘Login’ under **‘SHARE HOLDER’** tab.
 - b. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **‘Submit’**.
 - c. After successful login, you will be able to see the notification for e-voting. Select **‘View’** icon.
 - d. E-voting page will appear.
 - e. 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).
 - f. After selecting the desired option i.e. Favour / Against, click on **‘Submit’**. A confirmation box will be displayed. If you wish to confirm your vote, click on **‘Yes’**, else to change your vote, click on **‘No’** and accordingly modify your vote.

E-Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **‘Custodian / Mutual Fund / Corporate Body’**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with 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.

F-Individual Shareholders holding securities in Physical mode and, evoting service Provider is LINKINTIME, have forgotten the password:

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- Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

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

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

I- Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders 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 enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

13. The member who will cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from **Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive)**.

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13. The Board of Directors of the Company has appointed Mr. Deepak Bansal, Practicing Company Secretary, Proprietor of Messrs Deepak Bansal & Associates, Company Secretaries, Flat Number 1601, 16th Floor, Tower-M, Arihant Arden, Plot Number-GH-07A, Sector-01, Greater Noida, Gautam Budh Nagar, Uttar Pradesh-201306 as the Scrutinizer to scrutinize the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
14. **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.**
15. **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.**
16. Corporate Members may authorize its representative to join meeting through video conferencing by sending a certified copy of the Board resolution.
17. The Company was not required to transfer any amount or share to Investor Education and Protection Fund.
18. 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.
19. 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
20. 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. The same will be replied by the Company suitably.
21. Pursuant to provisions of the Companies Act, 2013, Dr. (Ms.) Sangeeta Gupta (DIN-00052121), Whole Time Director, will retire by rotation at Annual General Meeting and, being eligible, has offered herself for re-appointment. Ms. Sangeeta Gupta, aged Around 60 years is MMBS, is on the Board since March 9, 1994 having good experience of textile industry. She is getting remuneration of Rs.75,000/- per month. She is holding 29,86,172 (23.43%) shares in the Company. She is wife of Mr. Suneel Gupta-Managing Director and mother of Mr. Abhinav Gupta- Whole Time Director and Ms. Noor Gupta- Director and 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, Ms. Noor 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 Directors 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

Pursuant to section 161 of the Companies Act, 2013 (the Act) and Articles of Association of the Company Mr. Naresh Kumar Aggarwal was appointed as Additional Director by the Board effective from February 27, 2021 and holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member as per provisions of Section 160 of the Act, proposing the candidature of Mr. Naresh Kumar Aggarwal for the office of Independent Director. He may be appointed as Independent Director as per provisions of section 149 read with schedule IV of the Act, for a period of consecutive period of 5 years effective from February 27, 2021. The Company has already received:

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

Mr. Naresh Kumar Aggarwal, is a Chartered Accountant. The matter of his appointment as Additional Director/ Director was placed before the Nomination and Remuneration Committee and it had recommended his appointment.

The resolution seeks the approval of the members for the appointment of Mr. Naresh Kumar Aggarwal as an Independent Director of the Company for a period of 5 consecutive years effective February 27, 2021 as per provisions of section 149 read with schedule IV and other applicable provisions of the Act and rules made thereunder. He will not liable to retire by rotation. He fulfills the conditions specified in the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Details of as per Regulation 36 (3) of listing regulations are given as follows:

Mr. Naresh Kumar Aggarwal, aged about 51 years, is Chartered Accountant. He is in practice as Chartered Accountants since 1993 and it is proposed to appoint him as Independent Director for first term of 5 years effective from February 27, 2021. He will not be paid any remuneration except sitting fee, if decided by the Board. He is neither holding any share in the Company nor related to any Director and Key Managerial Personnel and their relatives in the Company. He is neither Director in any other public Company nor Member/Chairperson of Committee of the Board of Public Limited Company.

None of the Directors, Key Managerial Personnel or their relatives, except the proposed Director Mr. Naresh Kumar Aggarwal is concerned or interested in the resolution.

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

Item Number-4

The First term of Mr. Sanajy Arora (DIN: 07815311) as an Independent Director commenced on June 1, 2017 will be completed on May 31, 2022. The Board, on the recommendation of Nomination and Remuneration Committee, proposes to re-appoint Mr. Sanjay Arora as Independent Director of the Company for second term

ASHNOOR TEXTILE MILLS LIMITED

of 5 (five) years with effect from June 1, 2022. 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. Sanjay Arora, aged 55 years, is Chartered Accountant in Practice since last 20 years. He is expert in Finance and accounts and his expert knowledge in these fields will be of immense use for the Company. 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. Sanjay Arora as an Independent Director of the Company for a period of 5 consecutive years effective from June 1, 2022 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/NRC is of the opinion that Mr. Sanjay Arora fulfills the conditions specified for the 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. Sanjay Arora.

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

Item Number-5

Present term of Mr. Abhinav Gupta, Whole Time Director, will be completed on January 31, 2022. Pursuant to proviso of sub-section 2 of section 196 of the Companies Act, 2013, no appointment of Whole Time Director shall be made earlier than one year before expiry of his term. Present term of Whole Time Director will expire within less than one year. Therefore, it is proposed to appoint him for a period of 3 years effective from February 1, 2022 and fix his remuneration/terms and conditions as given in the resolution. The Nomination and Remuneration Committee, in its meeting held on August 2, 2021 has recommended his re-appointment and remuneration to the Board of Directors. The Board has accepted recommendation of Nomination and Remuneration Committee and approved re-appointment of Mr. Abhinav Gupta and fixed his remuneration/terms and conditions, in its meetings held on August 2, 2021, subject to your approval in ensuing Annual General Meeting. There is no change in the terms and conditions of the Whole Time Director except remuneration. He will draw the remuneration not exceeding Rs.5,00,000/- per month as may be approved by the Board of Directors from time to time at the recommendation of Nomination and Remuneration Committee. The appointment and remuneration is in conformity with the provisions and requirements of section 196, 197 read with Schedule V of the Companies Act, 2013. Accordingly, no approval of the Central Government is required. The effective capital of the Company is more than Rs.15.00 Crores. The Company has not made any default in repayment of any debt or interest payable thereon for a continuous period of thirty days in the preceding financial year.

Information as per sub-clause iv of second proviso of clause-B of Section-II of Part-II of Schedule V of the Companies Act, 2013:

ASHNOOR TEXTILE MILLS LIMITED

The Company was incorporated on January 21, 1984 and has already started in manufacturing of Terry Towels (Textile Sector). The Company has not entered into any foreign collaboration.

Mr. Abhinav Gupta, aged 30 years, Commerce Graduate from Boston University, USA is Director of the Company since 2009 and having good experience in Textile Industry. His term is for three years effective from February 1, 2022 and job profile as Whole Time Director of the Company is entrusted with substantial powers of management of the affairs of the Company and including Sales and Marketing of products of the Company particularly in USA. In view of lockdown from March 20, 2020 his remuneration was reduced to Rs.75, 000/- per month. On the recommendation of Nomination and Remuneration Committee, subject to approval of the members by passing of special resolution, the Board has re-appointed him at the remuneration not exceeding Rs.5,00,000/- per month as may be approved by the Board of Directors from time to time at the recommendation of Nomination and Remuneration Committee. No recognition/awards have been provided to him by any organization/authority. He is suitable person for the post of the Whole Time Director of the Company considering his past experience and performance as Whole Time Director of the Company. The proposed remuneration is favorably comparable with the remuneration paid to managerial personnel in similar type of companies and is commensurate with the size of the Company and profile and position of Mr. Abhinav Gupta. He is relative of Mr. Suneel Gupta, Managing Director and Mrs. (Dr.) Sangeeta Gupta, Whole Time Director and Ms. Noor Gupta-Director. He is also concerned and interested financially in the Company as one of the shareholders. The earning of the Company is continuously increasing. But, the Board has decided to pay remuneration as per Schedule V of the Act. The Company is continuously taking steps to improve working/financial position of the Company. To survive in the stiff competition prevailing in the industry and increase profit margin, the Company is implementing various cost reduction measures on operational and administrative front. The Company is also exploring the possibilities of increasing new service areas which may yield better performance of the Company. As stated above, the Company is in Textile industry and, therefore, it is not possible to quantify the profits in measurable terms due to the fact that the performance of the Company depends largely upon other uncontrollable factors. However, in view of various steps taken/to be taken as mentioned above, the Company expects far better results in future. He has attended 4 (Four) Meetings of the Board. He is neither Director in any other public limited company nor Member/Chairman of any Committee of the Board of any public limited company. None of the Directors, Key Managerial Personnel and their relatives except Mr. Abhinav Gupta, Whole Time Director, holding 12.44% paid up equity capital, Mr. Suneel Gupta, Managing Director, holding 33.44% paid up equity capital, Mrs. Sangeeta Gupta, Whole Time Director, holding 23.43% paid up equity capital and Ms. Noor Gupta, Director holding 3.50% are interested in the resolution.

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

By the order of the Board

Registered Office:
Village Khandsa, Behrampur Road
Gurgaon, Haryana-122001
CIN-L17226HR1984PLCO33384
E-mail: atml_delhi@yahoo.com
Phone: 0124 4809755
Web: ashnoortex.com

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

Place: Gurugram
Date: August 12, 2021

ASHNOOR TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 38th Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on March 31, 2021.

FINANCIAL PERFORMANCE AND OUTLOOK

(Rupees in Lakh)

PARTICULARS	2020-2021	2019-2020
Income (including other income)	11,875.37	13,723.19
Gross Profit prior to financial overheads and depreciation	1,184.51	969.73
Financial Overheads	245.81	280.68
Depreciation	308.45	284.83
Profit before Tax Exceptional and Extra-Ordinary Items	630.25	404.22
Exceptional and Extra-Ordinary Items	67.61	3.13
Profit before Tax	697.86	407.35
Income/Deferred Tax	155.71	83.91
Profit after Tax-available for appropriation	542.15	323.44
Basic Earnings Per Share	4.25	2.54

The financial year under review was one of the worst years for Indian economy since Independence of the Country. The COVID-19 pandemic took a toll on economic activities. The pandemic hit almost all the sectors of economic activities particularly manufacturing, constructions and services sectors. The financial year 2020-2021 commenced with nation-wide lockdown, which was continued for months in different parts of the nations depending of effect of the pandemic. In your company the production and sales in the first quarter was badly affected. During the year, revenue from operations decreased substantially by 13.64% from Rs.13,691.45 lakh in previous year to Rs.11,823.56 lakh in current financial year. However, in view of closure of manufacturing activities in the Company for approximate two months cost of raw material consumed and operating expenses declined and therefore, net profit after tax recorded increase from Rs.323.44 Lakh to Rs.542.15 Lakh. The Company is carrying business activities only in one segment.

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, 2021 until date of this report affecting financial position of the Company. The Company has complied all applicable provisions of the Companies Act, 2013, relevant Rules and Secretarial Standards. The Company has not revised its financial statement or Board's report in any of the three preceding financial year. The Company has neither made any application during the financial year nor any proceeding against the Company is pending at the end of financial year under the Insolvency and Bankruptcy Code, 2016.

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 been carried over to the Balance Sheet as surplus.

ASHNOOR TEXTILE MILLS LIMITED

DIVIDEND

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

FIXED DEPOSITS

The Company has never accepted deposits from the public. 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, 2021.

CAPITAL STRUCTURE

During the year under review, there was no change in the capital structure of the Company. The Company has neither issued shares with deferential 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”) as on March 31, 2021. A certificate issued by the Practicing Company Secretary in this respect, is annexed and forms part of Annual Report.

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

In terms of section 152 of the Companies Act, 2013 and Articles of Association of the Company Ms. Sangeeta Gupta (DIN-00052121), Director, will retire by rotation and, being eligible, offers herself for re-appointment.

During the year, Mr. Piyush Gupta (DIN-00125678) due to preoccupation, resigned effective from July 24, 2020. His place was filled by Mr. Naresh Kumar Aggarwal (DIN-00224371), who was appointed as an Additional Director in Independent Category by the Board of Directors effective from February 27, 2021. Due to COVID-19, the Company could find suitable candidate after more than 3 months. Mr. Naresh Kumar Aggarwal holds office of Director upto the date of 38th Annual General Meeting. Your Directors recommend his appointment as Non Executive Independent Director effective from February 27, 2021 for your approval.

The First term of Mr. Sanjay Arora (DIN: 07815311), as an Independent Director will be completed on May 31, 2022. The Board, on the recommendation of Nomination and Remuneration Committee, proposes to re-appoint Mr. Sanjay Arora as Independent Director of the Company for second term of 5 (five) years with effect from June 1, 2022. Your Directors confirm that the proposed re-appointee possesses the requisite skill, experience and expertise.

Further, the three years term of Mr. Abhinav Gupta (DIN-02766867) will complete on January 31, 2022. In view of his contribution in the growth of the Company, the Board at the recommendation of the Nomination and Remuneration Committee, has appointed him on

ASHNOOR TEXTILE MILLS LIMITED

August 12, 2021, subject to approval of members by passing of special resolution as Whole Time Director for a period of three years effective from February 1, 2022 at the remuneration, allowances/ perquisites and other terms and conditions as detailed in the resolution.

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 persons are the Key Managerial Personnel of the Company:

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

The brief resume and other details of the Directors to be re-appointed, as required under Listing Regulations have been provided in 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, 2021 was Rs.944.59 Lakh.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

AUDITORS AND AUDITORS' REPORT

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 34th 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, 2021. The Report of the Auditors on the Financial Statements including relevant rules on the accounts for the financial year ended March 31, 2021 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 2021-2022.

SECRETARIAL AUDIT REPORT

Messrs Anil Arora & Associates, Company Secretaries, New Delhi has been appointed as Secretarial Auditors by the Board of Directors, for the financial year 2021-2022, as per provisions of section 204 of the Companies Act, 2013. The report of Secretarial Auditors is annexed with Annual Report and forms part of Annual report.

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.

ASHNOOR TEXTILE MILLS LIMITED

SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

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

PERFORMANCE EVALUATION OF BOARD OF DIRECTOR'S

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

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/Familization-Programs.pdf>.

CODE OF CONDUCT

Pursuant to provisions of the Companies act, 2013 and Listing Regulations, the Company has laid down a code of conduct for all members of the Board of Directors including Independent Directors and Senior Management of the Company, which Includes the duties of independent directors as laid down in the Act. All the Board members and senior management personnel are required to affirm compliance with the code of conduct. They have affirmed compliance of code for the financial year 2020-2021 and Managing Director has given a declaration affirming compliance by 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>

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, 2021, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2021 and of the profit of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts for the financial year ended March 31, 2021 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.

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NUMBER OF BOARD MEETINGS

During the financial year 2020-2021, nine (9) 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 38 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](http://ashnoortex.com/wp-content/uploads/2020/08/Policy-on-Related-Party-Transactions.pdf)

BUSINESS RISK MANAGEMENT

Business Risk Management, being a very important part of any business, needs appropriate plans to control mechanism and operating effectiveness of the Internal Financial Controls and Legal Compliance System. The Board reviews the plans from time to time. However no risk has been identified which in the opinion of the Board may threaten the existence of the Company.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2020-21 is annexed to this report as 'Annexure-1'.

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.

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AUDIT COMMITTEE

As on March 31, 2021, the Audit Committee was comprised of Mr. Anil Aggarwal (Independent Director)-Chairman, Mrs. Divya Aggarwal (Independent Director)-Member, Mr. Sanjay Arora-(Independent Director)-Member, Mr. Naresh Kumar Aggarwal- (Independent Director)-Member and Mr. Suneel Gupta (Managing Director)-Member. During the year, four (4) meetings of Committee were held. Dates of meetings, attendance of Directors in meetings and other details are given in Corporate Governance Report. The Board has accepted all the recommendations of Audit Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

At the end of financial year on March 31, 2021, the Stakeholders Relationship Committee was comprised of Mr. Anil Aggarwal (Independent Director)-Chairman and Mr. Suneel Gupta (Managing Director)-member, Mr. Sanjay Arora-(Independent Director)-Member and Mrs. Divya Aggarwal (Independent Director)-Member. During the year, five (5) meetings of Committee were held. Dates of meetings, attendance of Directors in meetings and other details are given in Corporate Governance Report. The Board has accepted all the recommendations of Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

At the end of financial year, the Nomination and Remuneration Committee was comprised of Mr. Anil Aggarwal (Independent Director)-Chairman, Mrs. Divya Aggarwal-(Independent Director) and Mr. Sanjay Arora-(Independent Director)-Members and Mr. Naresh Kumar Aggarwal- (Independent Director)-Member. During the year, two (2) meetings of Committee were held. Details of meetings are given in Corporate Governance Report. The Nomination and Remuneration Policy as approved by the Board is available on Company's website at the web link: <http://ashnoortex.com/wp-content/uploads/2020/08/Nomination-and-Remuneration-Policy.pdf>.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 has become applicable from financial year 2021-2022 as profits of the Company for the financial year ended March 31, 2021 has been exceeded Rs.500 Lakh. The Board has constituted comprised of:

1. Mr. Anil Aggarwal-Independent Director (Chairman)
2. Mr. Suneel Gupta-Managing Director (Member)
3. Mr. Sanjay Arora- Independent Director (Member)
4. Mrs. Divya Aggarwal-Independent Director (Member)

Scope of Committee includes:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) monitor the Corporate Social Responsibility Policy of the company from time to time.

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.

ASHNOOR TEXTILE MILLS LIMITED

VIGIL MECHANISM

The Company has formed Vigil Mechanism in the form of Whistle Blower Policy as per provisions of section 177(9) read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 Regulation 22 of the Listing Regulations, 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](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

In view 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 Company has framed a Code of Fair Disclosure as per provisions of Listing Regulations, which 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 are as under:

Rupees in Lakh

Sl. No	Name of Director/KMP	Designation	Remuneration during the Year	Percentage Increases/ decrease in Remuneration during the Year	Ratio of Remuneration of each Director to median remuneration
1.	Mr. Suneel Gupta	Managing Director	9.00	-34.54	15.07
2.	Mrs. (Dr.) Sangeeta Gupta	Whole Time Director	9.00	-18.18	15.07
3.	Mr. Abhinav Gupta	Whole Time Director	9.00	-34.54	15.07
4.	Ms. Noor Gupta	Promoter Director	0.00	0.00	0.00
5.	Mr. Anil Aggarwal	Independent Director	9.00	350.00	0.00
6.	Mr. Sanjay Arora	Independent Director	0.25	100.00	0.00
7.	Mrs. Divya Agarwal	Independent Director	0.00	0.00	0.00
8.	Mr. Naresh Kr. Aggarwal	Independent Director	0.00	NA	0.00
8.	Girish Singh Adhikari	CFO	6.95	0.00	0.00
10.	Yashima Saluja*	Company Secretary	3.52	NA	0.00

*w.e.f. August 31, 2021

No Commission was paid to Managing Director and Whole Time Director from the Company. The Company was having 435 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.

ASHNOOR TEXTILE MILLS LIMITED

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 and 6 in Balance Sheet.

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

No complaint was received for sexual harassment by Internal Complaints Committee set up under the captioned Act in the financial year 2020-2021. Therefore, no complaint was pending for redressal on March 31, 2021.

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
Whole Time Director
DIN-00052121**

**Place: Gurugram
Date: August 12, 2021**

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2021

[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. 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. SHAREHOLDING 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-2020]				No. of Shares held at the end of the year [31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	9,279,862	0.00	9,279,862	72.81	9,279,854	0.00	9,279,854	72.81	0.00
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
Total shareholding of Promoters (A)(1)	9,279,862	0.00	9,279,862	72.81	9,279,854	0.00	9,279,854	72.81	0.00
(2) Foreign									
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
Total shareholding of Promoters (A)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Shareholding of Promoters (A)=(A)(1)+ (A)(2)	9,279,862	0.00	9,279,862	72.81	9,279,854	0.00	9,279,854	72.81	0.00
B. Public Shareholding									
1. Institutions									
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
Sub-total (B)(1)	0.00	3,080	3,080	0.02	0.00	3,080	3,080	0.02	0.00
2. Non-Institutions									
Bodies Corporate									
i) Indian	9,474	17,870	27,344	0.21	9,865	17,954	27,819	0.22	0.01
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	848,831	2,370,853	3,219,684	25.27	819,526	2,359,384	3,178,910	24.94	(0.33)
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	78,610	0.00	78,610	0.62	143,867	0.00	143,867	1.13	0.51
iii) Clearing members	9,262	0.00	9,262	0.07	3,468	0.00	3,468	0.03	(0.04)
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	22,861	14,168	37,029	0.29	3,739	14,168	17,907	0.14	0.15
ii. Trust	25,886	0.00	25,886	0.20	25,886	0.00	25,886	0.20	0.00
iii. HUF	43,812	0.00	43,812	0.34	43,638	140	43,778	0.34	0.00
Sub-total (B)(2)	1,060,016	2,402,891	3,462,907	27.17	1,071,269	2,391,646	3,462,915	27.17	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,060,016	2,405,971	3,465,987	27.19	1,071,269	2,394,726	3,465,995	27.19	0.00
C. Shares held by Custodian for GDRs and ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	10,339,878	2,405,971	1,27,45,849	100	1,03,51,123	23,94,726	12,74,5849	100	0.00

ASHNOOR TEXTILE MILLS LIMITED

B. Shareholding of Promoters

SN	Shareholder's Name	Share holding at the beginning of the year			Shareholding 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	33.44	0.00	4,261,841	33.44	0.00	0.00
2.	Mrs. Sangeeta Gupta	2,986,172	23.43	0.00	2,986,172	23.43	0.00	0.00
3.	Mr. Abhinav Gupta	1,586,000	12.44	0.00	1,586,000	12.44	0.00	0.00
4.	Ms. Noor Gupta	445,849	3.50	0.00	445,841	3.50	0.00	0.00
	Total	9,279,854	72.81	0.00	9,279,954	72.81	0.00	0.00

C. Change in Promoters' Shareholding

Date	Increase or Decrease (Reason)	Shareholding at the beginning of the year		Increase 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
1. Suneel Gupta						
01.04. 2020		4,261,841	33.44			
Increase /Decrease				0		
31.03. 2021					4,261,841	33.44
2. Sangeeta Gupta						
01.04. 2020		2,986,172	23.43			
Increase/ Decrease				0		
31.03. 2021					2,986,172	23.43
3. Abhinav Gupta						
01.04.2020		1,586,000	12.44			
Increase/ Decrease						
31.03.2021					1,586,000	12.44
4. Noor Gupta						
01.04.2020		445,849	3.50			
01.01.2021	Transfer shares			8	445,841	3.50
31.03.2021					445,841	3.50

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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*
1. Kailashben Ashok Kumar Patel						
1 Apr 2020	Opening Balance	78,610	0.6167		78,610	0.6167
26 Jun 2020	Increase/Transfer			(4,610)	74,000	0.5806
30 Jun 2020	Increase/Transfer			(163)	73,837	0.5793
14 Aug 2020	Increase/Transfer			866	74,703	0.5861
04 Sep 2020	Increase/Transfer			(203)	74,500	0.5845
11 Sep 2020	Increase/Transfer			(1,000)	73,500	0.5767
18 Sep 2020	Increase/Transfer			(400)	73,100	0.5735
20 Nov 2020	Increase/Transfer			3,918	77,018	0.6043
27 Nov 2020	Increase/Transfer			2,000	79,018	0.6200
04 Dec 2020	Increase/Transfer			(2,018)	77,000	0.6041
08 Jan 2021	Increase/Transfer			(580)	76,420	0.5996
29 Jan 2021	Increase/Transfer			(10)	76,410	0.5995
05 Feb 2021	Increase/Transfer			(1,410)	75,000	0.5884
26 Feb 2021	Increase/Transfer			(2,000)	73,000	0.5727
05 Mar 2021	Increase/Transfer			(500)	72,500	0.5688
31 Mar 2021	Closing Balance				72,500	0.5688
2. Mahendra Girdharilal						
1 Apr 2020	Opening Balance	0	0		0	0.0000
18 Sep 2020	Increase/Transfer			1,624	1,624	0.0127
25 Sep 2020	Increase/Transfer			1,146	2,770	0.0217
30 Sep 2020	Increase/Transfer			1,000	3,770	0.0296
09 Oct 2020	Increase/Transfer			61	3,831	0.0301
16 Oct 2020	Increase/Transfer			194	4,025	0.0316
23 Oct 2020	Increase/Transfer			376	4,401	0.0345
27 Nov 2020	Increase/Transfer			10,115	14,516	0.1139
04 Dec 2020	Increase/Transfer			19,765	34,281	0.2690
11 Dec 2020	Increase/Transfer			2,574	36,855	0.2892
18 Dec 2020	Increase/Transfer			634	37,489	0.2941
25 Dec 2020	Increase/Transfer			86	37,575	0.2948
31 Dec 2020	Increase/Transfer			680	38,255	0.3001
01 Jan 2021	Increase/Transfer			13,683	51,938	0.4075

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08 Jan 2021	Increase/Transfer			875	52,813	0.4144
15 Jan 2021	Increase/Transfer			1,889	54,702	0.4292
29 Jan 2021	Increase/Transfer			2,053	56,755	0.4453
05 Feb 2021	Increase/Transfer			4,046	60,801	0.4770
12 Feb 2021	Increase/Transfer			2,001	62,802	0.4927
19 Feb 2021	Increase/Transfer			1,960	64,762	0.5081
26 Feb 2021	Increase/Transfer			450	65,212	0.5116
05 Mar 2021	Increase/Transfer			1,000	66,212	0.5195
12 Mar 2021	Increase/Transfer			351	66,563	0.5222
19 Mar 2021	Increase/Transfer			2,804	69,367	0.5442
26 Mar 2021	Increase/Transfer			1,000	70,367	0.5521
31 Mar 2021	Closing Balance			1,000	71,367	0.5599
3. Custodian A/C FFSL						
01 April 2020	Opening Balance	24,766	0.1943		24,766	0.1943
31 Mar 2021	Closing Balance				24,766	0.1943
4. Andhra Bank Financial Services Limited						
01 April 2020	Opening Balance	21,280	0.1670		21,280	0.1670
31 Mar 2021	Closing Balance				21,280	0.1670
5. Munni Lal Maheshwari						
01 April 2020	Opening Balance	18,960	0.1488		18,960	0.1488
31 Mar 2021	Closing Balance				18,960	0.1488
6. Sanjay Kumar Sarawagi						
01 April 2020	Opening Balance	15,124	0.1187			
15 May 2020	Increase/Transfer			50	15,174	0.1191
31 Mar 2021	Closing Balance				15,174	0.1191
7. Harishchandra C Shirodkar						
01.04.2020	Opening Balance	13,587	0.1066		13,587	0.1066
31 Mar 2021	Closing Balance				13,587	0.1066
8. Pritty Devi Sarawagi						
01.04.2020	Opening Balance	13,502	0.1059		13,502	0.1059
31 Mar 2021	Closing Balance				13,502	0.1059
9. Jignesh Bhupindra Shah						
01.04.2020	Opening Balance	9,694	0.0761		9,694	0.0761
03 Apr 2020	Increase/Transfer			7,552	17,246	0.1353
26 Jun 2020	Increase/Transfer			238	17,484	0.1372
31 Jul 2020	Increase/Transfer			(347)	17,137	0.1345
04 Sep 2020	Increase/Transfer			1,433	18,570	0.1457
11 Sep 2020	Increase/Transfer			(6,699)	11,871	0.0931
18 Sep 2020	Increase/Transfer			(200)	11,671	0.0916
30 Sep 2020	Increase/Transfer			224	11,895	0.0933

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09 Oct 2020	Increase/Transfer			425	12,320	0.0967
16 Oct 2020	Increase/Transfer			635	12,955	0.1016
06 Nov 2020	Increase/Transfer			(4,136)	8,819	0.0692
01 Jan 2021	Increase/Transfer			1,686	10,505	0.0824
08 Jan 2021	Increase/Transfer			1,402	11,907	0.0934
15 Jan 2021	Increase/Transfer			1,058	12,965	0.1017
22 Jan 2021	Increase/Transfer			658	13,623	0.1069
29 Jan 2021	Increase/Transfer			(486)	13,137	0.1031
05 Feb 2021	Increase/Transfer			(804)	12,333	0.0968
12 Feb 2021	Increase/Transfer			200	12,533	0.0983
26 Feb 2021	Increase/Transfer			211	12,744	0.1000
31 Mar 2021	Closing Balance				12,744	0.1000
10. Naresh Arjunlal Patel						
01 Apr 2020	Opening Balance	12,000	0.0941		12,000	0.0941
01 Jan 2021	Increase/Transfer			(2,500)	9,500	0.0745
31 Mar 2021	Closing Balance				9,500	0.0745

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
1. Suneel Gupta-Managing Director						
01.04. 2020		4,261,841	33.44			
31.03. 2021					4,261,841	33.44
2. Sangeeta Gupta-Whole Time Director						
01.04. 2020		2,986,172	23.43			
31.03. 2021					2,986,172	23.43
3. Abhinav Gupta-Whole Time Director						
01.04.2020		1,586,000	12.44			
31.03.2021					1,586,000	12.44
4. Noor Gupta-Director						
01.04.2020		445,849	3.50			
01.01.2021	Transfer of shares			8	445,841	3.50
31.03.2021					445,841	3.50
5. Piyush Gupta-Independent Director*						
01.04. 2020		0	0.00			
	Increase/Decrease			0		
31.03.2021					0.00	0.00
6. Divya Agarwal-Independent Director						
01.04. 2020		0	0.00			
	Increase/Decrease			0		

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31.03.2021					0.00	0.00
7. Anil Aggarwal-Independent Director						
01.04. 2020		0	0.00			
	Increase/Decrease			0		
31.03.2021					0.00	0.00
8. Sanjay Arora-Independent Director						
01.04. 2020		420	0.00			
	Increase/Decrease			0		
31.03.2021					420	0.00
9. Naresh Kumar Aggarwal-Independent Director						
01.04. 2020		0	0.00			0
	Increase/Decrease			0		0
31.03.2021					0.00	0
10. Girish Singh Adhikari-CFO						
01.04. 2020		0	0.00			
	Increase/Decrease			0		
31.03.2021					0.00	0.00
11. Yashima Saluja-Company Secretary**						
01.04. 2020		0	0.00			
	Increase/Decrease			0		
31.03.2021					0.00	0.00

*Resigned effective from July 24, 2020.

**Yashima Saluja joined effective from August 31, 2020

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

Indebtedness at the beginning of the financial year				
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
Total (I + ii + iii)	48,26,70,174.99	12,80,32,102.00	0.00	61,07,02,276.99
Change in Indebtedness during the financial year				
* Addition	1,23,40,39,675.00	2, 63, 50, 000.00	0.00	1,26,03,89,675.00
* Reduction	1,26,32,40,032.99	1, 82, 79, 256.00	0.00	1,28,15,19,288.99
Net Change	2,92,00,357.99	80, 70, 744.00	0.00	2,11,29,613.99
Indebtedness at the end of the financial year				
i) Principal Amount	45,34,69,817.00	13, 61, 02, 846.00	0.00	58,95,72,663.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i + ii + iii)	45,34,69,817.00	13, 61, 02, 846.00	0.00	58,95,72,663.00

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	9.00	9.00	9.00	27.00
	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)	9.00	9.00	9.00	27.00
	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	0.25	9.00	0	0	9.25
	• Commission	0	0	0	0	0	0
	• Others, please specify	0	0	0	0	0	0
	Total (1)	0	0.25	9.00	0	0	9.25

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2.	Others Expenses Non- Executive Directors • Fee for attending board committee • Commission • Others, please specify	0				0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	0	0.25	9.00	0	0	9.25
	Total Managerial Remuneration						36.25
	Overall Ceiling as per the Act					(being 11% 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		3.52	6.95	10.47
	(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	3.52	6.95	10.47

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
Whole Time Director
DIN-00052121

Place: Gurugram
Date: August 12, 2021

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE-2

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 important 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 2020-2021 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 levels to avoid wastage of electricity by effective utilization of computers machines, switching off all computers, AC System and light when not required.

b) Utilization of alternative source of energy

- Presently, the Company is not using any alternate source of energy but is continuously exploring the viability of alternative sources particularly solar plant.

c) Capital Investment on energy conservative equipment

- The company has incurred Rs.278.65 lakh on modernization of plant and machinery 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.
- The company has developed in house system whereby the sewerage water is purified through natural filtration and water treatment plant to get clean water which is essential requirement for manufacture of white towels. This apart from reduction in cost of water treatment renders public service by utilizing the waste sewerage water.

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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.

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.
- It has successfully added new buyers in the past four years which has resulted in growth in foreign exchange earnings of the company except the COVID affected FY 2020-21

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

Income in Foreign Currency

(Rupees in Lakh)

Particulars	2020-2021	2019-2020
FOB value of Export of Terry Towels (Realization basis)	7930.47	11,325.47
Expenditure in Foreign Currency		
Particulars	2020-2021	2018-2020
Import of Stores and Spares	15.30	16.81
Foreign Travelling	4.30	46.81
Purchase of machineries	28.83	0.00
Total Expenditures	48.43	63.62
Net foreign exchange earned	7,882.04	11,261.85

By the order of the Board

Sd/-
Suneel Gupta
Managing Director
DIN-00052084

Sd/-
Sangeeta Gupta
Whole Time Director
DIN-00052121

Place: Gurugram
Date: August 12, 2021

ASHNOOR TEXTILE MILLS LIMITED

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

The Corporate Governance Report is being prepared in compliance with the Regulation 34(3) read with schedule V(C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter in this report referred as "Listing Regulations"), and contains the details of Corporate Governance systems and processes at Ashnoor Textile Mills Limited ("the Company"). The Company's policies, practices and philosophy on Corporate Governance are aimed at assisting the management of the Company in taking prudent business decision in the best interest of the Company, stakeholders, environment and the Company and in compliance with Listing regulations.

2. Board of Directors

a) Composition of the Board

As on March 31, 2021, the composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act. 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 and category of Directors as on March 31, 2021 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
9.	Mr. Naresh Kumar Aggarwal**	-	Non-Executive Independent Director

* Resigned on July 24, 2020.

** Appointed on February 27, 2021

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. Mr. Piyush Gupta resigned due to preoccupation effective from July 24, 2020. There was no other material reason other than preoccupation. Thereafter, Mr. Naresh Kumar Aggarwal was appointed as Non Executive Independent Director effective from February 27, 2021. The vacancy in the office of independent director shall be filled in the very next Board Meeting or within 3 months of such vacancy, whichever is later. However, same could be filled in only after 3 months.

(b) Number of Board Meetings

During the year under review, 9 (Nine) meetings of the Board of Directors were held on June 06, 2020; July 28, 2020; August 20, 2020; September 09, 2020; November 11; 2020; December 05, 2020; February 11, 2021; February 27, 2021 and March 26, 2021.

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. The necessary quorum was present for all the meetings. 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

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and discussed/approved by it including 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. The Board periodically reviews the compliance reports of all laws applicable to the Company. 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	9	9	Yes	--	--	--
Dr. (Mrs.) Sangeeta Gupta	9	8	No	--	--	--
Mr. Abhinav Gupta	9	4	Yes	--	--	--
Ms. Noor Gupta	9	6	Yes	--	--	--
Mr. Piyush Gupta	1	1	NA	--	--	--
Mr. Anil Aggarwal	9	9	Yes	--	--	--
Mr. Sanjay Arora	9	4	Yes	--	--	--
Ms. Divya Agarwal	9	5	No	--	--	--
Mr. Naresh Kumar Aggarwal	1	1	NA	--	--	--

All the promoters of the Company 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. None of the Non-executive Independent Directors is related to each other and Promoter Directors. None of the Non-executive Independent Directors holds any share in the Company as on March 31, 2021 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 445,841 (3.50%) equity shares.

The Company regularly provides all the statutory and other important items/ information including those envisaged in Listing Regulations to the Board and the Committees thereof with 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. In view of opinion of the Board all the independent directors fulfill the conditions specified in the Companies Act, 2013 and Listing Regulations and are independent of management,

The independent Directors on the Board of the Company are distinguished people who have wide experience in the field of varied fields play very important role in the governance processes of the Board and bring their expertise and experience in the deliberations of the Board, which enriches the decision making process at the Board/Committees with different points of view and

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experiences and prevents conflict of interest. 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

The Company has instituted a Code of Conduct for all its Board Members and Senior Managerial Personnel as per provisions of Regulation 17(5) of Listing Regulations, All the members of the Board and the Senior Managerial Personnel have affirmed compliance with the Code of Conduct as on March 31, 2021 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 Personnel 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, Mr. Naresh Kumar Aggarwal and Ms. Divya Aggarwal are Chartered Accountants and are experts in Finance, Auditing etc while Mr. Anil Aggarwal is Company Secretary and 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, 2021:

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

The Board takes all the decisions pertaining to the constitution of the Committee(s), appointment of its Members etc. and determined terms of reference 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 July 28, 2020, September 9, 2020, November 11, 2020 and February 11, 2021. All the Members of the Committee attended all the meetings.

The composition of the Audit Committee as on March 31, 2021 was as under:

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

*No meeting was held after their appointment in the Committee

During the financial year, Mr. Piyush Gupta-Chairman resigned. Mr. Anil Aggarwal was appointed as Chairman of the Committee in his place while Mrs. Divya Aggarwal was appointed as member. Later on, constitution of the Committee was expanded by appointing Mr. Sanjay Arora and Mr. Naresh Kumar Aggarwal (both Independent Directors) as members in the Committee. All the members are financially literate as per requirements of Explanations to Regulation 18(1) of Listing Regulations and having accounting, financial, investment, banking, 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.

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- 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.

II. Stakeholder Relationship Committee

(a) Composition and Attendance:

During the year under review, 5 (five) meetings of the Stakeholder Relationship Committee were held on June 6, 2020, July 28, 2020, September 9, 2020, November 11, 2020 and February 11, 2021. The composition of the Stakeholders Relationship Committee and details of the Members participation at the Meetings of the Committee are as under:

Serial Number	Name of Members	Status	Category	Number of Meetings held	Number of Meetings Attended
1	Mr. Anil Aggarwal	Chairman	Non-Executive Independent Director	5	5
2	Mr. Suneel Gupta	Member	Executive Director-Promoter	5	5
3	Ms. Divya Aggarwal*	Member	Non-Executive Independent Director	5	4
4.	Mr. Sanjay Arora**	Member	Non-Executive Independent Director	5	0

*Appointed as member of Committee after 1st meeting of the Committee

**No meeting was held after his appointment in the Committee

During the financial year, Mr. Piyush Gupta-Chairman resigned. Mr. Anil Aggarwal was appointed as Chairman of the Committee in his place while Mrs. Divya Aggarwal was appointed as member. Later on, constitution of the Committee was expanded by appointing Mr. Sanjay Arora (Independent Director) as member in the Committee. The Committee has power to consider and resolve the grievance/requests of shareholders including transfer of shares, non-receipt of annual report, issue of duplicate shares etc. Ms. Yashima Saluja, Company Secretary, has been designated as the Compliance Officer as per the requirements of the Listing Regulations. The Minutes of each Stakeholders Relationship Committee Meeting are placed before the Board of Directors for confirmation.

(b) Terms of Reference:

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

- Consider Allotment of securities;
- Issue of duplicate certificates for securities of the Company;
- Deciding the dates of book closure/ record date in respect of shares and other securities issued by the Company;
- Other matters as may be prescribed or to be prescribed from time to time to be dealt with or

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handled by the Committee pursuant to provisions of the Act, the Rules framed thereunder, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and/or the guidelines, circulars or notifications issued by the Securities and Exchange Board of India; and

- Any other matter as may be delegated by the Board of Directors from time to time.

In the beginning of the year, no Investor Grievance was pending. During the financial year under review, the Company had received 0 (Nil) Investor Grievances pertaining to investor related matters and no grievance was pending as on March 31, 2021.

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

III. **Nomination and Remuneration Committee**

(a) **Composition and Attendance:**

During the financial year, Mr. Piyush Gupta-Chairman resigned. Mr. Anil Aggarwal was appointed as Chairman of the Committee in his place while Mrs. Divya Aggarwal was appointed as member. Later on, constitution of the Committee was expanded by appointing Mr. Naresh Aggarwal (Independent Director) as member in the Committee. During the year under review, 2 (two) Meetings of Nomination and Remuneration Committee were held on June 6, 2020 and February 27, 2021. The composition of the Nomination and Remuneration Committee is as under:

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

*Appointed as member of Committee after 1st meeting of the Committee

**No meeting was held after his appointment in the Committee

(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 and Whole-time Director(s) based on their performance and defined assessment criteria.

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- 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 Committee determines the criteria for performance evaluation of Independent Directors by the Committee. It finalizes indicative list of factors that may be evaluated including attendance and participation by a Director, adherence to ethical standards and code of conduct and cordial inter personnel relations with other Directors.

(d) **Remuneration of Directors**

Details of remuneration paid to Managing/Whole Time Directors for the year ended March 31, 2021 are given below:

	Amount in Lakh		
Name and Designation	Suneel Gupta Managing Director	Sangeeta Gupta Whole time Director	Abhinav Gupta Whole time Director
Sitting Fee	0	0	0
Consolidated Salary	9.00	9.00	9.00
Perquisites and Allowances	0	0	0
Commission Paid	0	0	0
Total Remuneration	9.00	9.00	9.00
Date of Re-appointment	January 10, 2020	May 1, 2020	February 1, 2019
Period of Re-appointment	3 years	3 years	3 years

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

As per policy of the Company, any employee on senior level including employee 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

Year	Date	Venue	Time
2017-2018	September 29, 2018	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 a. m.
2018-2019	September 27, 2019		
2019-2020	September 30, 2020*		

*Annual General Meeting (AGM) held on September 30, 2020 was held through Video Conferencing and other Audio Visual Means and deemed venue for AGM was registered office of the Company.

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.

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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 2nd 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.

In Annual General Meeting held on September 30, 2020, the members passed one special resolution related to Re-appointment Independent Director.

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

Quarterly Results	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).
Any Website	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 38th Annual General Meeting (Proposed)

The 38th Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Thursday, September 30, 2021, at 4:00 p. m. IST through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) and be deemed to be held at the registered office of the Company.

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

The Company expects to announce the un-audited quarterly results for the year 2021- 2022, as per the following schedule:

First Quarter	:	On or before August 14, 2021
Second Quarter	:	On or before November 14, 2021
Third Quarter	:	On or before February 14, 2022
Fourth Quarter/Annual	:	On or before May 30, 2022

(c) Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year 2020-2021.

(d) Book Closure

The Company’s Register of Members and Share Transfer Book will remain closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (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 2021-2022.

(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

Month	Monthly High Price	Monthly Low Price	Monthly Closing Price
April 2020	12.65	9.04	9.50
May 2020	9.57	8.31	8.60
June 2020	13.65	9.03	11.78
July 2020	12.30	8.91	10.97
August 2020	11.51	8.71	11.25
September 2020	14.10	10.04	10.04
October 2020	10.80	9.10	9.11
November 2020	14.23	9.56	14.23
December 2020	16.77	13.33	14.92
January 2021	16.06	13.37	15.67
February 2021	16.00	13.30	14.85
March 2021	16.89	14.00	14.63

Source: bseindia.com

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

Month	Monthly Closing Sensex at BSE	Monthly Closing Price In Rupees
April 2020	33,717.62	9.50
May 2020	32,424.10	8.60
June 2020	34,915.80	11.78
July 2020	37,606.89	10.97
August 2020	38,628.29	11.25
September 2020	38,067.93	10.04
October 2020	39,614.07	9.11
November 2020	44,149.72	14.23
December 2020	47,751.33	14.92
January 2021	46,285.77	15.67
February 2021	49,099.99	14.85
March 2021	49,509.15	14.63

Source: bseindia.com

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

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

Noble Heights, 1st Floor,
Plot NH-2, C-1 Block
LSC, Near Savitri Market
Janakpuri, 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. The Company/RTA has stopped transfer of physical shares effective from April 1, 2019..

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(k) Distribution and Pattern of Share holding

(i) Distribution of Shareholding of the Company as on March 31, 2021

Range of Equity Shares In Rupees	Shareholders		Share Capital Amount In Rupees			Share Capital Amount	
	Number	%	Physical	NSDL Demat	CDSL Demat	Rupees	%
0 – 5000	16,133	95.2193	18,885,680	2,295,780	1,443,870	22,625,330	17.7511
5,001 – 10,000	545	3.2167	2,830,270	593,630	392,370	3,816,270	2.9941
10,001 – 20,000	166	0.9798	1,196,800	561,240	491,120	2,249,160	1.7646
20,001 – 30,000	36	0.2125	284,080	296,970	280,390	861,440	0.6759
30,001 – 40,000	17	0.1003	343,520	66,550	182,160	592,230	0.4646
40,001 – 50,000	11	0.0649	129,500	0	375,820	505,320	0.3965
50,001 – 1,00,000	17	0.1003	163,310	274,170	708,610	1,146,090	0.8992
1,00,001 and Above	18	0.1062	114,100	71,961,960	23,586,590	95,662,650	75.0540
Total	16,943	100	23,947,260	76,050,300	27,460,930	127,458,490	100

(ii) Shareholding Pattern of the Company as on March 31, 2021

Category of Shareholders	Number of Share holders	Number of Shares held	Percentage of holding
Promoters	4	9,279,854	72.81
Financial Institutions, Mutual Funds and Banks	1	3,080	0.02
NRIs	9	3,739	0.03
Foreign Nationals	10	14,168	0.11
Individual shareholding-Nominal share capital upto Rs.2 lakh	16,676	3,178,910	24.94
Individual shareholding-Nominal share capital in excess of Rs.2 lakh	2	143,867	1.13
Private Corporate Bodies	66	27,819	0.22
HUF	42	43,778	0.34
Clearing Members	6	3,468	0.03
Trust	2	25,886	0.20
NBFCs registered with RBI	1	21,280	0.17
Total	16,819	12,745,849	100.00

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. 81.21% of the total paid-up share capital had been dematerialized as at March 31, 2021 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 4809755
E-mail: atml_delhi@yahoo.com

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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 38 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 38 in Notes to Financial Statements. Web link of policy on dealing with related party transactions is: <http://ashnoortex.com/wp-content/uploads/2020/08/Policy-on-Related-Party-Transactions.pdf>.

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

During the financial year under review, BSE has imposed fine of Rs.407,100/- for non compliance with the requirements pertaining to composition of the Board. In fact, after resignation of one of the Independent Directors, the Company could not find suitable person for appointment of Independent Director within the period of 3 months due to COVID-19. However, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during any year before the said financial year.

(c) Vigil Mechanism and Whistle Blower Policy

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 formed a Vigil Mechanism and Whistle Blower Policy for directors and employees to report genuine concern. This mechanism provides adequate safeguard against victimization of employees and directors who may 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 an 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

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), as per provisions of the Companies Act and Listing Regulations, applicable to all the Directors (including Independent Directors) and senior management personnel and 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 and they affirm compliance with the code of conduct every year. A declaration signed by the Managing Director is appended 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>.

ASHNOOR TEXTILE MILLS LIMITED

(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) Risk related Disclosures and Managing of Risks

Disclosures related to Financial Risk, Liquidity Risk, Market Risk, Foreign Currency Risk, Interest Rate Risk, Credit Risk and managing the same are given in note number 34 (c) of the Audited Financial Statement.

(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, except as mention in 7(b) above.

(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 1566 Shareholders holding 249,639 shares, whose Shareholding are lying undelivered /unclaimed (Previous year: 250,404 shares of 1,584 shareholders).

(m) 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 2020-2021.

8. Compliance Certificate

The above Certificate was placed before the Board meeting held on June 29, 2021. 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 June 29, 2021.

Sd/-

Suneel Gupta
Managing Director
DIN-00052084

Sd/-

Sangeeta Gupta
Whole Time Director
DIN-00052121

Place: Gurugram
Date: June 29, 2021

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, 2021 as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-

Suneel Gupta
Managing Director
DIN-00052084

Place: Gurugram
Date: June 29, 2021

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, 2021, 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, 2021.

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: June 29, 2021

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, digitization 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 also. 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 hospitals and leisure industry.

C. Opportunities and Threats and Future outlook Global Economic Conditions

2020-21 has been an exceptional year in which the global economy was unexpectedly hit by pandemic COVID-19 in a severe manner.

Since the company is exporting 90% of its products to the USA, it is particularly affected by the growth outlook in that country. India commands a competitive position in Towel exports to USA due to cheap labour and abundant cotton yarn. According to Office of Textile and Apparels (USA), in CY 20, the share of towel imports by USA from India was 42% which increased from 30% in 2009. This indicates the growing Indian competitiveness in terry towel export industry. Against this, both China and Pakistan has exported 21% of the total towel imports from USA. With the waning preference of Chinese products in USA post COVID and likely setback to Pakistan post Taliban taking over of Afganistan, the comparative advantage is further increasing for the Indian towels.

ASHNOOR TEXTILE MILLS LIMITED

The US president Biden has inducted massive financial package in the US economy which has given a renewed boost to the US consumption in 2021. There is also existing and potential pent up demand for towels after opening up of the economies post COVID 19 although new Delta Variant is creating a temporary halt. Seeing all these developments in totality, it looks almost certain that the worst of the towel industry is over and future looks to be bright. In line with the above, position of the company is strengthening in the current year.

Indian Economy

India has also been very badly hit in FY 2020-21 and towel industry was worst hit particularly the first half. The first quarter of 2021-2022 was also badly hit with the Delta variant. It looks that the worst of COVID is over as far our country is concerned. After witnessing a very tough period, the economy has almost fully opened up and is likely to return to normal growth path. In line with this, our company is poised to do better from hereon.

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. After Covid 19, there have been disruptions in the supply chain which has resulted in the cotton yarn prices increasing up to 70% from the covid lows.

With the opening of economies, the demand of cotton is likely to remain elevated with the continued bottlenecks in production. So, the signs of significant correction in cotton prices are still not visible. The company has partially passed on the increase in raw material prices to buyers but still the costs escalation remains a cause of concern .

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 has retraced back to the normal levels of 74 -75. 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/ RODTEP , 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 disruptions and risk of slowdown post due to potential unwinding of quantitative easing by US is a major concern for everyone . As already discussed, the continued increase

ASHNOOR TEXTILE MILLS LIMITED

in raw material prices is another matter of concern . So, continuance of favorable textile policies by the Government of India to counter the global competition is most desirable. Third major concern is reemergence of third wave of COVID which looks less impacting in India and US due to high levels of vaccination. 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.

F. Internal Control Systems and their Adequacy

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

G. Financial and Operational Performance

During the year under review, revenue from operations decreased from Rs 137.23 crore in financial year 2019-2020 to Rs 118.75 crore in financial year 2020-2021. However, profits after tax increased from Rs 4.07 crore in financial year 2019-2020 to Rs 6.97 crore in current financial year . This was possible due to cost saving and efficiency measures taken by the company.

However, the balance sheet of the company has strengthened as the company has ploughed back all the cash accruals. The Company had planned the expansion by way of installation 12 imported looms which was postponed due to COVID in March 2020 . This capacity expansion will be completed in the third quarter of the financial year 2021-2022.

In the current year, the first quarter was very bad and recovery started from July 2020 onwards and the things have fully normalized now.

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.

H. 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. Details of significant changes in key financial ratios, along with detailed are given as under:

ASHNOOR TEXTILE MILLS LIMITED

Change in key financial Ratios

Ratio	31.03.21	31.03.20	Percentage change	Remarks/ Response
Debtors Turnover	3.05	3.86	79.14	Change less than 25%
Inventory Turnover	2.94	4.13	71.11	Decrease is 28.89% because there were negligible sales in first half of financial year 2020-2021 but the debtors were at close of the year which were at full operating levels
Interest coverage Ratio	5.22	2.95	177.24	The increase is 77.24% due to increase in profitability
Current Ratio	1.39	1.29	108.08	Change less than 25%
Debt Equity Ratio	1.83	2.12	86.59	Change less than 25%
Operating Profit Margin	7.30	4.50	162.09	The increase is 62.09% due to increase in profitability
Net Profit Margin	4.59	2.36	194.10	The increase is 94.1% due to increase in profitability
Return on average Equity percentage	13.96	9.43	148.05	The increase is 48.05% due to increase in profitability

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
Whole Time Director
DIN-00052121

Place: Gurugram
Date: August 12, 2021

ASHNOOR TEXTILE MILLS LIMITED

FORM NUMBER- MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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

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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2021, 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)

ASHNOOR TEXTILE MILLS LIMITED

Regulations, 2009 **{Not applicable as the Company has not issued any securities during the audit period under review}**;

- 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 as on March 31, 2021. However, one of Independent Directors resigned during the audit period under review and new Independent Director at his place was appointed after 7 months. The BSE imposed fine of Rs.407,100/- on the Company for the said non-

ASHNOOR TEXTILE MILLS LIMITED

compliance. The Company approached to BSE for waiving the fine and the said request has been declined by the BSE. The Company is yet to deposit fine with BSE.

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 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 further report that as per information given to us and record produced before us transfer of unclaimed shares to Demat Suspense Account of the Company is in the process and may be completed shortly.

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: F005695C000774925

Date: August 12, 2021

Place: New Delhi

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

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide 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: F005695C000774925**

**Date: August 12, 2021
Place: New Delhi**

ASHNOOR TEXTILE MILLS LIMITED

Secretarial Compliance Report of Ashnoor Textile Mills Limited for the financial year ended March 31, 2021

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

- (a) all the documents and records made available to us and explanation provided by Ashnoor Textile Mills Limited (“the listed entity”),
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2021 (“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, 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:-

Sl. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	As per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this listed entity shall have at least half of the Board consist of Independent Director. In place of ceased Independent Director new Independent Director shall be appointed at the earliest but not later than the immediate next meeting of the Board of Directors or 3 months whichever is later.	One of the Independent Director resigned effective from July 24, 2020 and new Independent Director was appointed on February 27, 2021	Three months from the date of resignation of Independent Director completed on October 23, 2020. But, new Independent Director was appointed effective from February 27, 2021. As informed by the Company, it took extra time due to impact of COVID in the State. As informed the Managing Director was also suffered with COVID was hospitalized.

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:

Serial Number	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE Limited	One of the Independent Director resigned effective from July 24, 2020 and new Independent Director was appointed on February 27, 2021	BSE has imposed fines on the Company	As per information given to us, the Company had requested to BSE Limited to reverse the fine imposed on it, but same has been declined by the Company
NONE				

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

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

For Anil Arora & Associates
Company Secretaries

Sd-
Anil Kumar Arora
Proprietor
FCS Number: 5695
CP Number: 4775
UDIN: F005695C000542198

Place: New Delhi
Date: June 29, 2021

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) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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.

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

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: F005695C000774870

Place: New Delhi
Date: August 12, 2021

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, 2021, 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, 2021, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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: 21090841AAAAC45602

Place: New Delhi

Date: June 29, 2021

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, 2021

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,

ASHNOOR TEXTILE MILLS LIMITED

Income Tax, 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, 2021 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, 2021.
- (xiv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xv) 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: 21090841AAAAC45602
Place: New Delhi
Date: June 29, 2021

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, 2021 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 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

ASHNOOR TEXTILE MILLS LIMITED

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 transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detections of unauthorized acquisition, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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: 21090841AAAAC45602
Place: New Delhi
Date: June 29, 2021

ASHNOOR TEXTILE MILLS LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

PARTICULARS	NOTE NUMBER	As At 31-03-2021 ₹	As At 31-03-2020 ₹
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	2	301,285,274	294,404,591
Financial Assets			
(i) Investments	3	8,616,340	5,016,095
(c) Other Non Current Assets	4	13,076,093	12,876,093
Current Assets			
(a) Inventories	5	345,420,557	318,180,898
Financial Assets			
(i) Investments	6	4,504,180	4,504,180
(ii) Trade Receivables	7	401,415,403	373,358,157
(iii) Cash and Cash Equivalents	8	8,102,918	4,233,800
(iv) Other Bank Balances	9	6,164,819	18,408,482
(d) Other Current Assets	10	139,865,192	138,283,826
Total Assets		1,228,450,776	1,169,266,122
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	11	127,395,036	127,395,036
(b) Other Equity	12	288,005,312	233,790,441
Liabilities			
Non Current Liabilities			
Financial Liabilities			
(i) Borrowings	13	106,771,978	96,044,259
(b) Provisions	14	4,081,724	4,527,354
(c) Deferred Tax Liability (Net)	15	32,641,937	28,949,169
(d) Other Non-Current Liabilities	16	3,255,076	2,205,076
Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	436,157,244	442,806,511
(ii) Trade Payables	18	141,186,285	131,521,998
(ii) Other Financial Liabilities	19	46,643,441	71,851,507
(b) Other Current Liability	20	27,037,267	19,754,146
(c) Provisions	21	15,275,476	10,420,625
Total Liabilities		1,228,450,776	1,169,266,122
Notes on Financial Statement Significant Accounting Policies	2 to 39 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: 21090841AAAAC45602 Place: New Delhi Date: June 29, 2021	Sd/- SUNEEL GUPTA Managing Director DIN-00052084	Sd/- SANGEETA GUPTA Whole Time Director DIN-00052121	
	Sd/- GIRISH SINGH ADHIKARI Chief Finance Officer PAN-AEPA9502R	Sd/- YASHIMA SALUJA Company Secretary ACS No. - 36764	

ASHNOOR TEXTILE MILLS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	NOTE NUMBER	Year Ended March 31, 2021 ₹	Year Ended March 31, 2020 ₹
Income			
(I) Revenue from Operations			
(a) Sale of Products	22	1,157,361,116	1,368,058,251
(b) Sale of Service		24,994,950	1,087,204
(II) Other Income	23	5,180,909	3,173,812
Total Income		1,187,536,975	1,372,319,267
(III) Expenses			
(a) Cost of Material Consumed	24	1,017,821,984	1,160,603,908
(b) Purchase of Stock-in-Trade	25	7,484,407	22,057,388
(c) Change in Inventory of finished, work-in-progress and stock-in-trade	26	(49,853,101)	(42,781,171)
(d) Employee Benefit Expenses	27	14,068,241	15,915,148
(e) Finance Costs	28	24,581,366	28,068,442
(f) Depreciation Expenses	2	30,844,616	28,483,037
(g) Other Expenses	29	79,563,706	119,550,930
Total Expenses		1,124,511,220	1,331,897,682
(IV) Profit Before Exceptional and Extraordinary Items and Tax		63,025,755	40,421,585
(V) Extra Ordinary Items	30	6,760,611	312,860
(VI) Profit Before Tax		69,786,366	40,734,445
(VII) Tax Expenses			
(a) Current Tax		(11,878,727)	(3,476,262)
(b) Deferred Tax		(3,692,768)	(4,914,439)
(VIII) Profit For the Year		54,214,871	32,343,744
(IX) Earning Per Equity Share			
(a) Basic Earning Per Share		4.25	2.54
(b) Diluted		4.25	2.54
(c) Weighted Average Number of Equity Shares		12,745,849	12,745,849
(X) Notes on Financial Statements	2 to 39		
(XI) Significant Accounting Policies	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: 21090841AAAAC45602 Place: New Delhi Date: June 29, 2021	Sd/- SUNEEL GUPTA Managing Director DIN-00052084	Sd/- SANGEETA GUPTA Whole Time Director DIN-00052121	
	Sd/- GIRISH SINGH ADHIKARI Chief Finance Officer PAN-AEPPA9502R	Sd/- YASHIMA SALUJA Company Secretary ACS No. - 36764	

ASHNOOR TEXTILE MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

S.No.	PARTICULARS	31-03-2021 ₹	31-03-2020 ₹
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) Before Tax and Extraordinary Items	63,025,754.65	40,421,585.05
	Adjustments for :		
	Depreciation	30,844,616.00	28,483,037.00
	Other Income	(1,274,868.98)	(1,659,533.46)
	Interest Paid	22,524,658.85	25,048,395.69
	Operating Profit Before Working Capital Changes	117,669,898.48	95,612,551.20
	Adjustments for:		
	Trade and Other Receivables	(29,838,612.59)	(71,166,855.33)
	Inventories	(27,239,658.82)	(84,910,888.85)
	Trade Payments	891,330.76	90,826,636.50
	Cash Generated from Operations	61,482,957.83	30,361,443.52
	Interest Paid	22,524,658.85	25,048,395.69
	Net Gain/Loss on Foreign Currency Transactions	(1,677,549.99)	36,228,902.33
	Income and Fringe Benefit Tax	15,571,494.53	8,390,700.56
	CASH FLOW BEFORE EXTRAORDINARY ITEMS	21,709,254.46	33,151,249.60
	Extraordinary Items	(880,365.00)	-
	Net Cash from Operating Activities	20,828,889.46	33,151,249.60
B.	CASH FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	38,134,323.00	82,675,789.00
	Sale of Fixed Assets	8,050,000.00	425,000.00
	Investments	(3,600,245.00)	(5,604,180.00)
	Interest and Other Income	402,681.01	(37,888,435.79)
	Net Cash from Investing Activities	(33,281,886.99)	(125,743,404.79)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Share Capital/Share Application	-	2,500,000.00
	Proceeds from Long Term Borrowings	10,727,719.00	50,286,110.06
	Proceeds from Other Borrowings	(6,649,267.00)	33,480,650.00
	Public Issue and Other Expenses	-	-
	Proceeds from Issue of Share Warrant and Premium	-	1,625,000.00
	Net Cash from Financing Activities	4,078,452.00	87,891,760.06
D.	NET INCREASE IN CASH AND CASH EQUIVALENTS	(8,374,545.53)	(4,700,395.13)
	Opening Balance of Cash and Cash Equivalents	22,642,282.11	27,342,677.24
	Closing Balance of Cash and Cash Equivalents	14,267,736.59	22,642,282.11

For and on behalf of the Board

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

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

We have examined the attached cash flow statement of Ashnoor Textiles Mills Limited for the year ended March 31, 2021. 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: 21090841AAAAC45602

Place: New Delhi
Date: June 29, 2021

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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, 2021

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.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- iii. Finished goods are valued at Lower of Cost and Net Realizable Value. Cost includes raw material cost, ascertained on the basis of average cost of purchases, and direct cost. Old inventory lying for more than six months is valued at half of cost of production. Inventory of rejected finished goods is valued at Net Realizable Value.
- iv. Inventory of carpets and trading items is valued on lower of cost and net realizable value.
- v. Inventory of waste is valued on net realizable value.
- vi. Stores and Spares are charged to expenses on purchase and no inventory is maintained.

l) Investments

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

m) Retirement Benefits

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

n) Provisions, contingent liabilities and contingent assets

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

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

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

q) Taxation

Deferred Tax:

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

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

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

Current Tax

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

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

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.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

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

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

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

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

b. Impairment of financial assets

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

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

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

having floating interest rate, at the respective reset date, in accordance with the terms of the respective contract.

ii. De-recognition of financial liabilities

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

s) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market 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: 21090841AAAAC45602

Place: New Delhi
Date: June 29, 2021

For Ashnoor Textile Mills Limited

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

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

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

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

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

NOTE NUMBER - 2

FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-2020 Rupees	Additions during the year Rupees	Adjustments during the year Rupees	As at 31-03-2021 Rupees	As at 01-04-2020 Rupees	For 01-04-2020 Rupees	Adjustments During the year Rupees	As at 31-03-2021 Rupees	As at 31-03-2021 Rupees	As at 31-03-2020 Rupees
Tangible Assets										
Land	8,557,120.00	-	(125,000.00)	8,432,120.00	-	-	-	-	8,432,120.00	8,557,120.00
Factory Building	114,645,090.24	2,411,893.00	(1,000,000.00)	116,056,983.24	66,579,232.24	3,557,791.00	(1,000,000.00)	69,137,023.24	46,919,960.00	48,065,858.00
Office Building	2,558,130.00	-	-	2,558,130.00	1,976,290.00	87,808.00	-	2,064,098.00	494,032.00	581,840.00
Water Treatment Plant	203,490.00	-	-	203,490.00	77,326.00	38,663.00	-	115,989.00	87,501.00	126,164.00
Electric Installation	6,953,399.00	-	-	6,953,399.00	3,341,536.00	648,125.00	-	3,989,661.00	2,963,738.00	3,611,863.00
Plant and Machinery	587,398,736.72	27,865,498.00	(89,950,000.00)	525,314,234.72	372,876,407.97	22,080,916.00	(89,950,000.00)	305,007,323.97	220,306,910.75	214,522,328.75
ETP Plant	6,826,094.00	-	-	6,826,094.00	1,562,294.00	648,480.00	-	2,210,774.00	4,615,320.00	5,263,800.00
Generator Set	9,004,351.00	-	-	9,004,351.00	8,667,209.00	22,082.00	-	8,689,291.00	315,060.00	337,142.00
Furniture and Fixture	1,544,892.00	325,816.00	-	1,870,708.00	500,536.00	177,722.00	-	678,258.00	1,197,450.00	1,044,356.00
Office Equipment	562,727.00	483,584.00	(434,647.00)	611,664.00	364,938.00	116,217.00	(330,332.00)	150,823.00	460,841.00	197,789.00
Computers	722,306.00	198,797.00	(490,101.00)	431,002.00	383,924.00	136,484.00	(310,392.00)	210,016.00	220,986.00	338,382.00
Vehicles	28,653,472.00	6,848,735.00	-	35,502,207.00	16,895,574.07	3,330,328.00	-	20,225,852.07	15,276,354.93	11,757,947.93
Grand Total	767,629,807.96	38,134,323.00	(91,999,748.00)	713,764,382.96	473,225,217.28	30,844,616.00	(91,590,724.00)	412,479,109.28	301,285,273.68	294,404,590.68
Previous year	686,532,031.96	82,675,789.00	(1,578,013.00)	767,629,807.96	446,208,053.28	28,483,037.00	(1,465,873.00)	473,225,217.28	294,404,590.68	240,323,978.68

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31-03-2021 ₹	As At 31-03-2020 ₹
3 NON CURRENT INVESTMENTS		
Long Term Trade Investments		
Investment in Equity Instruments: Quoted at Cost		
8,325 (8,325) Equity Shares of Anant Raj Indus Limited	616,095	616,095
8,325 (8,325) Equity Shares of Anant Raj Global Limited		
Sovereign Gold Bond	2,500,245	-
Investments in Unit Link Plan- Quoted at Cost	5,500,000	4,400,000
	8,616,340	5,016,095
Market Value of Quoted Investments	694,305	164,835
Net Asset Value of Investment in Mutual Fund/ULP	7,816,600	4,400,000
4 OTHER NON CURRENT ASSETS		
(Unsecured and Considered Good)		
Advance other than Capital Advances		
Security Deposits	3,076,093	2,876,093
Other Advances	10,000,000	10,000,000
	13,076,093	12,876,093
5 INVENTORIES		
(As certified by the management and valued at lower of cost and net realizable value)		
a) Raw Materials	60,644,152	72,816,956
b) Stock-in-progress	165,947,398	111,805,931
c) Finished Goods	90,529,975	105,833,341
d) Rejected Stock	7,897,284	3,576,431
e) Stores and Spares	20,401,748	24,148,238
	345,420,557	318,180,898
6 INVESTMENT- CURRENT		
Short Term Trade Investments		
Investment in Equity Instruments: Quoted at Cost		
100 (100) Equity Shares of IDFC First Bank	4,180	4,180
Investment in Mutual Fund- Quoted at Cost		
443.494 Units of Baroda Ultra Short Duration Fund	500,000	500,000
799 units of HDFC Mutual Fund	3,000,000	3,000,000
1000 Units of ICICI Prudential Mutual Fund	1,000,000	1,000,000
	4,504,180	4,504,180
Market Value of Quoted Investments	4,748,687	4,611,835

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31-03-2021 ₹	As At 31-03-2020 ₹
7 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Outstanding for a period less than six months from the date they are due for payment :-	367,245,813	339,586,841
Outstanding for a period More than six months from the date they are due for payment :-	34,169,590	33,771,316
	401,415,403	373,358,157
7.1 Confirmation from customers were not received and their balances are shown as appearing in the accounts.		
8 CASH AND CASH EQUIVALENTS		
a) Balances with Banks:		
Current Accounts	4,528,063	4,171,574
b) Cash on Hand	3,574,855	62,226
	8,102,918	4,233,800
9 OTHER BANK BALANCES		
In Bank Deposits*	6,164,819	18,408,482
	6,164,819	18,408,482
* Represents Bank deposit with original maturity over three months from the date of balance sheet. it includes balance with banks to the extend heal as margin money or security against the borrowings, guarantees and other Commitments.		
10 OTHER CURRENT ASSETS		
Advance Tax and TDS	13,642,633	10,175,608
Receivable from Government Authorities	90,841,691	86,493,459
MAT Credit C/F	3,338,626	4,907,738
Others	32,042,242	36,707,021
	139,865,192	138,283,826

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

PARTICULARS	As At	As At
	31-03-2021	31-03-2020
	₹	₹
11 SHARE CAPITAL		
AUTHORIZED		
12,750,000 (12,750,000) Equity Shares of Rs. 10/- each	127,500,000	127,500,000
ISSUED, SUBSCRIBED AND PAID UP		
12,745,849 (12,745,849) Equity Shares of Rs. 10/- each	127,458,490	127,458,490
Calls in Arrears	(63,454)	(63,454)
	127,395,036	127,395,036

11.1 The reconciliation of shares outstanding is set out below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	12,745,849	127,458,490	12,495,849	124,958,490
Shares Issued during the year	-	-	250,000	2,500,000
Shares outstanding at the end of the year	12,745,849	127,458,490	12,745,849	127,458,490

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, 2021

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

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	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	31-03-2021	31-03-2020
By Officers	63,454	63,454
Total	63,454	63,454

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, 2021.

PARTICULARS	As At 31-03-2021 ₹	As At 31-03-2020 ₹
12 RESERVES AND SURPLUS		
(a) Security Premium		
Opening Balance	24,000,000	21,000,000
Addition due to Issue of Shares during the Period	-	3,000,000
Closing Balance	24,000,000	24,000,000
(b) Capital Reserves		
Opening Balance	3,233,969	3,233,969
Add: Current Year Transfer	-	-
Closing Balance	3,233,969	3,233,969
(c) Surplus		
Opening balance	206,556,472	174,212,727
Add: Net Profit for the current year	54,214,871	32,343,744
Closing Balance	260,771,343	206,556,472
Grant Total (a+b+c)	288,005,312	233,790,441
13 LONG TERM BORROWINGS		
SECURED		
From Bank -		
- Term Loan (Refer Note No 13.2)	12,312,573	23,584,854
UNSECURED		
- from Directors (Refer Note No. 13.3)	94,459,405	72,459,405
	106,771,978	96,044,259

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31-03-2021 ₹	As At 31-03-2020 ₹
13.1 Schedule maturity of Long-term borrowings:		
Current Maturity (Refer Note No 13.2)		
Term Loans	5,000,000	15,988,336
Vehicle Loan	-	287,648
Director's Loan- Unsecured	41,643,441	55,572,697
	46,643,441	71,848,681
Non Current Maturity (Refer Note No 13.2)		
Term Loans	12,312,573	23,584,854
Director's Loan- Unsecured	94,459,405	72,459,405
	106,771,978	96,044,259
<p>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 -13</p>		
13.2	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, 2021 is Rs. 173.13 Lakh	
13.3	Unsecured loans have been taken from the directors are not carrying any interest.	
14	LONG TERM PROVISIONS	
	Provision for Employee Benefits	
	(a) Gratuity (unfunded)	1,131,054 161,058
	(b) Bonus	1,869,809 2,493,349
	(c) Leave Encashment (unfunded)	1,080,861 1,872,947
	4,081,724	4,527,354
15	DEFERRED TAX LIABILITY (NET)	
	Difference of WDV of fixed assets between books and income tax	(120,488,505) (107,102,824)
	Disallowances under section 43B	3,155,877 3,043,985
	Net Temporary Difference	(117,332,628) (104,058,839)
	Effective Rate of Income Tax	27.82% 27.82%
	Deferred Tax Assets (Liability)	(32,641,937) (28,949,169)
	Less: Charged in Previous Year	(28,949,169) (24,034,730)
	Net Deferred Tax Assets (Liability)	(3,692,768) (4,914,439)
16	OTHER NON CURRENT LIABILITIES	
	Security Received	1,050,000 -
	Others (Refer Note No 16.1)	2,205,076 2,205,076
	3,255,076	2,205,076
16.1	Interest on late payment of Rs. 2,684,738/- (2019-2020 – Rs. 2,684,738/-) and Rs. 18,725/- (2019-2020 - Rs. 18,725/-) has been levied under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Appeal has been filed against this demand in the Court and provision has been created for this liability in the books of accounts. Out of this demand, Rs. 498,387/- has been deposited with the authorities under protest and adjusted with this provision amount.	

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31-03-2021 ₹	As At 31-03-2020 ₹
17 SHORT TERM BORROWINGS		
SECURED		
- from Banks		
(a) Packing Credit Limits (Refer Note No 17.1)	241,328,512	250,070,748
(b) Foreign Bills Discounted (Refer Note No 17.1)	194,828,732	192,735,763
	436,157,244	442,806,511
17.1 Packing Credit, Foreign Bills Limits, Gold Card and Derivatives(Forward Contract) are availed from Bank of Baroda and are secured by hypothecation of present and future stock of raw materials, stock in progress, finished goods, stores and spares, books debts and outstanding receivables		
18 TRADE PAYABLES		
Micro, Small and Medium Enterprises	53,679	3,504,601
Other than Micro, Small and Medium Enterprises	141,132,606	128,017,397
	141,186,285	131,521,998
18.1 The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act,2006 ("MSMED Act"), based on the information available with the Company:		
Particulars	As at 31-03-2021	As at 31-03-2020
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting period	53,679.00	3,504,601.00
(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	-	-
19 OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (Refer Note No- 13.1)	46,643,441	71,848,681
Interest Accrued on Vehicle Loan	-	2,826.00
	46,643,441	71,851,507

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31-03-2021 ₹	As At 31-03-2020 ₹
20 OTHER CURRENT LIABILITIES		
Advance Received From Customers	178,914	2,812,239
Other Paybles	17,870,626	15,570,380
Statutory Dues	8,987,727	1,371,527
	<u>27,037,267</u>	<u>19,754,146</u>
21 SHORT TERM PROVISION		
(a) Provision for Employee Benefits		
(i) Salary and Reimbursement	2,423,451	1,289,237
(ii) Employees Contribution To Provided Fund	728,066	594,834
(iii) Employees Contribution to ESI	245,232	152,554
(b) Others		
(i) Income Tax	11,878,727	8,384,000
	<u>15,275,476</u>	<u>10,420,625</u>
22 REVENUE FROM OPERATION		
(a) Sale of products		
- Export	801,624,386	1,153,773,509
- Domestic	335,546,888	85,738,581
(b) Other Operating Revenues (Refer Note No- 23.1)	<u>20,189,842</u>	<u>128,546,161</u>
	<u>1,157,361,116</u>	<u>1,368,058,251</u>
22.1 License received under Merchandise Exports from India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (ROSCTL) has been recognized on cash basis i.e. when actual sale will happen.		
23 OTHER INCOME		
(a) Net gain/(loss) on Sale of Investment	75,070	535,499
(b) Interest and Dividend	781,839	1,360,513
(c) Other Non Operating Income	1,174,000	1,277,800
(d) Rental Income	3,150,000	-
	5,180,909	3,173,812
23.1 Statement of Realized Profit/(Loss) on sale of Investments		
Sale of investment (Equity) realized	75,070	535,499
Sale of investment (Derivatives) realized	2,056,708	(2,989,148)
	2,131,778	(2,453,649)
24 COST OF MATERIAL CONSUMED		
Raw Material Consumed (Refer Note No 24.1)	682,436,048	742,240,614
Packing Material Consumed	69,285,082	78,193,405
Fuel Consumed	29,567,767	34,692,329
Dyes and Chemicals Consumed	80,373,037	123,864,647
Stores and Spares (Refer Note No 24.2)	12,449,450	20,084,692
Manufacturing Expenses	143,710,600	161,528,221
	<u>1,017,821,984</u>	<u>1,160,603,908</u>

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At	As At
	31-03-2021	31-03-2020
	₹	₹
24.1 Value of imported and indigenous raw materials, stores and spare parts, components consumed and percentage of each to the total consumption:		
	2020-2021	
Particulars	Amount	Percentage
Raw Materials:		
Imported		-
Indigenous	682,436,048	100.00%
Stores and Spares:		
Imported	1,530,136	12.29%
Indigenous	10,919,314	87.71%
	2019-2020	
Particulars	Amount	Percentage
Raw Materials:		
Imported	-	-
Indigenous	742,240,614	100%
Stores and Spares:		
Imported	2,342,659	12%
Indigenous	17,742,033	88%
24.2 IMPORTS (ON COST, INSURANCE AND FREIGHT BASIS)		
Stores and Spares	1,530,136	2,342,659
	1,530,136	2,342,659
25 PURCHASE OF STOCK IN TRADE		
Purchase of Towels and Rugs	7,361,407	21,576,038
Purchase of Mats	123,000	-
Bed sheet, Curtains, Balnket and Others	-	481,350
	7,484,407	22,057,388
26 CHANGE IN INVENTORY OF FINISHED GOODS AND STOCK IN PROCESS		
Opening Stocks		
Stock in Progress	111,805,931	84,556,563
Finished Goods	109,409,772	93,877,969
Less: Loss on Flood	(6,694,147)	-
	214,521,556	178,434,532
Closing Stocks		
Stock in Progress	165,947,398	111,805,931
Finished Goods	98,427,259	109,409,772
	264,374,657	221,215,703
Change in Inventory	49,853,101	42,781,171

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At	As At
	31-03-2021	31-03-2020
	₹	₹
27 EMPLOYEE BENEFIT EXPENSES		
Salaries and Incentives	12,791,563	14,210,308
Company's Contribution to PF and ESI	230,940	219,070
Staff Welfare	1,045,738	1,485,770
	14,068,241	15,915,148
28 FINANCIAL COST		
(a) Interest on Term Loan and Working Capital	16,528,039	20,928,191
(b) Net Loss on Foreign Currency Transactions	-	3,004,597
(c) Loss on sale of investment (Derivatives Transaction)	2,056,708	15,449
(d) Processing Charges and Bank Charges	5,996,620	4,120,204
	24,581,366	28,068,442
29 OTHER EXPENSES		
(a) Clearing and Forwarding	34,391,718	48,425,167
(b) Sales Promotion and Documentation	15,961,781	23,767,300
(c) Commission	10,040,086	23,422,514
(d) Travelling and Conveyance	801,977	3,495,374
(e) Auditors' Remuneration	100,000	100,000
(f) Electricity and Water Expenses	80,293	185,419
(g) Rent, Rates and Taxes	2,799,493	3,886,263
(h) Insurance	4,221,011	2,209,507
(i) Vehicle Maintenance	825,278	1,586,694
(j) Communication Expenditure	912,156	543,947
(k) Fees and Subscription	1,065,855	977,663
(l) Office Maintenance	386,511	472,297
(m) Legal and Professional Charges	4,475,467	5,183,597
(n) Other Office Expenses	3,502,079	5,295,188
	79,563,706	119,550,930
30 EXTRA ORDINARY ITEMS		
Loss on Flood	(880,365)	-
Fixed Asset/Depreciation Written Back	(284,024)	(112,140)
Profit/(Loss) on Sale of Fixed Assets	7,925,000	425,000
	6,760,611	312,860
31 EARNING PER SHARE		
Basic and diluted Earning Per Share		
Profit After Tax	54,214,871	32,343,744
Number of Equity Shares	12,745,849	12,745,849
Face value per Equity Share (Rs.)	10.00	10.00
Basic Earning Per Share	4.25	2.54
Diluted Earning Per Share (Rs.)	4.25	2.54

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At	As At
	31-03-2021	31-03-2020
	₹	₹
32 PAYMENT TO AUDITORS		
Audit Fee	100,000	100,000
	100,000	100,000

33 Expenditure incurred during construction period of Rs. 24.12 Lacs (Note 2) have been capitalized and Transfer to Factory Godown under Building Block on September 28, 2020

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(a) Capital Management

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

(b) Categories of financial instruments

Particulars	As at 31.03.2021	As at 31.03.2020
A: Financial Assets		
Measured at amortized Cost		
(i) Cash and Cash Equivalents	8,102,918	4,233,800
(ii) Other Bank Balances	6,164,819	18,408,482
(ii) Trade Receivables	401,415,403	373,358,157
(iii) Investment in Mutual Fund and Shares	4,504,180	4,504,180
(iv) Investment in Unit Linked and Shares	8,616,340	5,016,095
Total Financial Assets	428,803,660	405,520,714
B: Financial Liability		
Measured at amortized Cost		
(i) Borrowings	542,929,222	538,850,770
(ii) Trade Payables	145,268,009	136,049,352
(ii) Other Financial Liabilities	46,643,441	71,851,507
Total Financial Liabilities	734,840,672	746,751,629

(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, 2021

PARTICULARS	As At	As At
	31-03-2021	31-03-2020
	₹	₹

FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES- Continue

(i) Liquidity Risk

The Company's Current assets aggregate Rs. 9,054.73 Lacs (2020 - Rs. 8,569.69 Lacs) including Current Investments, Cash and cash equivalents and Other Bank Balances of Rs. 187.72 Lacs (2020 - Rs. 271.46 Lacs) against an aggregate Current liability of Rs. 6,663.00 Lacs (2020 - Rs. 6,763.55 Lacs).

Further, while the Company's total equity stands at Rs. 4,154/- Lacs (2020 - Rs. 3,611.85Lacs) , it has non-current borrowings of Rs. 1,067.72 (2020 - Rs. 960.44 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, 2021 is Rs. 132.6 Lacs (2020 - Rs. 91.77 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:

As at March 31, 2021	US \$	Euro
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, 2021

PARTICULARS	As At 31-03-2021 ₹	As At 31-03-2020 ₹
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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

Particulars	31-03-2021	31-03-2020
Borrowings	542,929,222	538,850,770
Other financial liabilities	46,643,441	71,851,507

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

Particulars	Fair Value Hierarchy (Level)	As At March 31, 2021
Financial Assets		
(i) Cash and Cash Equivalents	Level 3	8,102,917.59
(ii) Trade Receivables	Level 3	401,415,403.25
(iii) Investment in Mutual Fund and Shares	Level 1	4,504,180.00
(iv) Investment in Unit Linked and Shares	Level 1	8,616,340.00
Financial Liabilities		
(i) Borrowings	Level 3	542,929,222.00
(ii) Trade Payables	Level 3	145,268,009.36

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, 2021

PARTICULARS	As At	As At
	31-03-2021	31-03-2020
	₹	₹
35 Impact of COVID-19 (Global Pandemic)		
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.		
36		
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".		
37		
ACTIVITY IN FOREIGN CURRENCY	31.03.2021	31.03.2020
Earnings in Foreign Currency (Realization Basis):		
FOB value of Export of Terry Towels	793,047,344	1,132,546,793
Expenditure/Remittances in Foreign Currency:		
Stores and Spares	1,530,136	1,680,959
Foreign Travelling	430,000	4,681,034
Purchase of Machinery	2,882,982	-
Net Earnings in Foreign Currency	788,204,226	1,126,184,800
38 RELATED PARTY DISCLOSURES:		
(a) Following are related parties:		
Key Management Personnel		
Mr. Suneel Gupta	Managing Director	
Mrs. Sangeeta Gupta	Whole Time Director	
Mr. Abhinav Gupta	Whole Time Director	
Ms. Noor Gupta	Director	
Mr. 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	
Significant Influence		
Ashnoor Global LLC		

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

PARTICULARS	As At 31-03-2021 ₹	As At 31-03-2020 ₹
(b) Related party transactions:		
Kay Management Personnel		
Directors Salary	27,00,000	12,000,000
Sitting Fees	9,25,000	200,000
CFO Salary	6,95,377	621,080
Company Secretary Salary	3,51,613	360,000
Loans and Advance Taken		
Mrs. Sangeeta Gupta	17,426,595	21,158,129
Mr. Suneel Gupta	11,479,776	17,879,776
Mr. Abhinav Gupta	41,546,475	37,696,475
Ms. Noor Gupta	65,650,000	59,750,000
Interest Payable		
Mr. Suneel Gupta	-	2,479,876
Mrs. Sangeeta Gupta	-	1,603,070
Significant Influence		
Export Sale		
Ashnoor Global LLC	7,654,193	3,121,854

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

39 Approval of financial statements

The Financial Statements for the period ended 31st March 2021 were approved by the Board of Directors and authorised for issue on June 29, 2021

As per our report of even date attached

For Agarwal & Gupta
Chartered Accountants

Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841
UDIN: 21090841AAAAC45602

Place: New Delhi
Date: June 29, 2021

For Ashnoor Textile Mills Limited

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

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

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

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



ASHNOOR

ASHNOOR TEXTILE MILLS LIMITED

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