

40TH ANNUAL REPORT 2020 / 2021



Board of Directors

Shri. B K Patodia	Chairman
Shri. B.L. Singhal	Independent Director
Shri. P.C. Seksaria	Independent Director
Shri. P.N.Sukumaran Nair	Independent Director
Shri. V.N.Balakrishnan	Independent Director
Shri. Umang Patodia	Non Executive Director
Shri. Ankur Patodia	Managing Director

BANKERS

Central Bank of India
State Bank of India
Kotak Mahindra Bank Limited

Auditors

M/s.Raghu & Ram
Chartered Accountants
Coimbatore

Registered Office

Erumathala P.O.
Aluva, Ernakulam 683112

Corporate Office

43, 4th Floor, Mittal Chambers,
228 Nariman Point,
Mumbai – 400 021

Corporate ID No (CIN)

U67120KL1981PLC013244

Contents

Notice	3
Board's Report.....	9
Auditors' Report.....	19
Balance Sheet.....	24
Statement of Profit and Loss.....	25
Cash Flow Statement.....	26
Notes to Financial Statements.....	27

GTN ENTERPRISES LIMITED

NOTICE

NOTICE is hereby given that the **Fortieth (40th)** Annual General Meeting of **GTN ENTERPRISES LIMITED** will be held at the Registered Office of the Company at Erumathala Post, Aluva – 683 112 on Thursday 30th September 2021 at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2021, the Statement of Profit and Loss for the year ended on that date, Board's Report and the Auditors thereon.

SPECIAL BUSINESS:

2. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to Section 152,196 and other applicable provisions of the Companies Act 2013 and Rules made thereunder including any statutory modification(s) or re-enactment thereof, and based on the recommendation of the Board of Directors and in respect of whom the company has received a notice in writing under Section 160 of the Act from a Member signifying his intention to propose the candidature of Shri. B.K.Patodia (DIN 00003516), who has already attained the age of 70 years to continue as Non Independent Non-Executive Director of the Company, liable to retire by rotation"

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

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution.**

"RESOLVED THAT in accordance with the provisions of Sections 196,197,198, 203 and any other applicable provisions of the Companies Act,2013 (the "Act") and the Rules made thereunder read with Schedule V of the Companies Act,2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri Ankur Patodia (holding DIN: 00003567) as Managing Director of the Company, for a period of five years with effect from 01.07.2021, on the terms and conditions including remuneration as are set out and approved by the Nomination & Remuneration Committee and the Board of Directors. The draft remuneration structure placed before this meeting is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and or remuneration and or agreement, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 including any statutory re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri. Ankur Patodia".

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if

any, of the Act, the remuneration payable to Shri. Ankur Patodia by way of salary, perquisites, commission and other allowance shall not in any event exceed 5% of the net profits of the Company in that financial year".

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. Ankur Patodia, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part II of Schedule V to the Act".

"RESOLVED FURTHER THAT Shri Ankur Patodia shall not be liable to retire by rotation"

AND

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

4. To consider and if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactments thereof for the time being in force), M/s. Hareesh K.N and Associates, Cost Accountants (Firm Reg. No. 101974), who have been appointed as Cost Auditors by the Board of Directors of the Company to conduct the Audit of the Cost records of the Company for the financial year ending on 31st March, 2022, be paid a remuneration of ₹ 35,000 (Rupees Thirty-Five Thousand Only) plus reimbursement of all out of pocket expenses as may be incurred in connection with the audit, be and is hereby ratified.

BY ORDER OF THE BOARD
FOR GTN ENTERPRISES LIMITED

Place : Mumbai
Date : 08.09.2021

B K PATODIA
Chairman

NOTES:-

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument appointing proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is send herewith. Proxy submitted on behalf of the Companies, Societies etc, must be supported by an appropriate resolution / authority, as applicable.

NOTICE (Contd...)**DETAILS OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT AT THIS ANNUAL GENERAL MEETING**

Name of the Director	Shri B.K. Patodia		
DIN	00003516		
Age & Date of Birth	77 years, 01.01.1945		
Nationality	Indian		
Qualification	B.E. (Birla Institute of Science and Technology, Pilani)		
Expertise	Shri. B.K. Patodia (00003516) is the past Chairman of the Cotton Textiles Export Promotion Council, (TEXPROCIL), Mumbai, the Confederation of Indian Textile Industry (CITI) New Delhi and Southern India Mills' Association, Coimbatore. He has also served as President of Cochin Chamber of Commerce and Industry, Kochi and Employers' Federation of Southern India, Chennai. He is the past Chairman of the Joint Cotton Committee of International Textile Manufacturers Federation (ITMF), Zurich. He is a member of the Advisory Board and Spinners Committee of ITMF. Shri. B.K. Patodia is a Director on the Boards of several leading Companies and was also a Member of several Government Committees including the Cotton Advisory Board and Cotton Yarn Advisory Board appointed by the Ministry of Textiles, Government of India. He was also actively involved in the Sub-Group on Cotton to formulate National Fibre Policy of the Ministry of Textiles.		
Date of Appointment in the Company	20.09.1991		
Other Directorships (Listed / Public Co.)	GTN Textiles Limited Patspin India Limited India Thermit Corporation Limited		
Membership/Chairman in other Committees	GTN Textiles Limited	1. Audit Committee	- Member
		2. Stakeholders Relationship Committee	- Member
	India Thermit Corporation Limited	1. Audit Committee	- Member
		2. Nomination and Remuneration Committee	- Member
		3. CSR Committee	- Member
Shareholding in the Company	472310 equity shares of Rs. 10 each		
Relationship between Directors Inter -se Directors	Related to Shri. Ankur Patodia, Managing Director and Shri Umang Patodia, Director		

BY ORDER OF THE BOARD
FOR GTN ENTERPRISES LIMITED

Place : Mumbai
Date : 08.09.2021

B K PATODIA
Chairman

NOTICE (Contd...)

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2

Shri. B.K.Patodia was appointed as Non-Executive Non Independent Director at the 39th Annual General Meeting held on 23rd December 2020 and that he is liable to retire by rotation.

As per Section 196 of Companies Act 2013, no company shall appoint a person or continue the directorship of any person as Non-Executive Director who has attained the age of 70 years unless a special resolution is passed to that effect in which case the explanatory statement annexed to the notice of such motion shall indicate the justification for appointing such person. Shri. B.K.Patodia have attained the age of 70 years and his continuation of Non- Executive Director till the expiry of his tenure can only be by passing the special resolution by the shareholders. Accordingly, Special Resolution is proposed to take shareholders approval for the continuation of Shri. B.K.Patodia as Non-Executive Director till the expiry of his tenure.

Shri. B.K.Patodia (DIN 00003516) aged 77 years is an Engineering graduate from BITS, Pilani. He is the past Chairman of the Cotton Textiles Export Promotion Council, (TEXPROCIL), Mumbai, the Confederation of Indian Textile Industry (CITI) New Delhi and Southern India Mills' Association, Coimbatore. He has also served as President of Cochin Chamber of Commerce and Industry, Kochi and Employers' Federation of Southern India, Chennai. Shri. B.K. Patodia is the past Chairman of the Joint Cotton Committee of International Textile Manufacturers Federation (ITMF), Zurich. He is a member of the Advisory Board and Spinners Committee of ITMF. He was also actively involved in the Sub-Group on Cotton to formulate National Fibre Policy of the Ministry of Textiles.

The Board of Directors of the Company based on the recommendation of Nomination and Remuneration Committee at its meeting held on 23.6.2021 recommended appointment of B.K.Patodia to the Board.

The Board of Directors is of the opinion that Shri B.K.Patodia is a person of integrity, possess relevant expertise and vast experience. The guidance in the past is notable and supportive to the Company in dealing with the complex matters. Accordingly, it is felt that his association as Non Executive Director will be beneficial and in the best interest of the Company. In line with the provisions of the Act, your Directors recommend his continued association until expiry of his present term.

None of the Directors, Key Managerial Personnel and their relatives except Shri. Ankur Patodia, Managing Director and Shri Umang Patodia, Director are in any way, concerned or interested in the said Resolution.

The Board recommends the Special Resolution as mentioned in item no. 2 of this Notice for approval of the members

Item No. 3

The present term of office of Shri. Ankur Patodia, Managing Director expired on 30th June 2021. Subject to the Shareholders approval, the Board of Directors at their meeting held on 23.6.2021 have re-appointed him for a further period of five years from the expiry date of his term on the remuneration determined by the Nomination and Remuneration Committee of the Board of Directors.

Nomination and Remuneration Committee constituted by the Board had met on 23.6.2021 and approved and recommended remuneration package of Shri. Ankur Patodia, Managing Director for a period of Three Years in accordance with Schedule V of the Companies Act, 2013

In terms of Section II Part II of the Schedule V of the Companies Act 2013, where in any financial year, during the currency of the tenure of the managerial person, if a company has no profit or its profits are inadequate, it may pay remuneration to a managerial person without Central Government approval not exceeding the higher of the following two limits (A and B):

A.	
(1)	(2)
Where the Effective Capital (EC) is	Limit of yearly remuneration payable shall not exceed (₹)
i. Negative or less than ₹ 5 Crore	60 lacs
ii) ₹ 5 crores and above but less than ₹ 100 Crores	84 lacs
iii) ₹ 100 crores and above but less than ₹250 Crores	120 lacs
iv) ₹ 250 Crores and above	120 lacs+0.01% of EC in excess of ₹ 250 Crores
Provided that the remuneration in excess of above limits may be paid if the resolution passed by the shareholders is a special resolution.	

NOTICE (Contd...)

B.

In case of a managerial personnel who is functioning in a professional capacity, (remuneration as per item (A) may be paid), if such managerial personnel is not having any interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any, direct or indirect interest or related to the Directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possess graduate level qualification with expertise and specialized knowledge in the field in which the company operates.

Provided that any employee of a company holding shares of the company not exceeding 0.5% of its paid-up share capital under any scheme formulated for allotment of shares to such employees including employees stock option plan or by way of qualification shall be deemed to be a person not having any interest in the capital of the company.

Provided further that the limits specified under items (A) and (B) of the section shall apply, if :

- (i) Payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub section (1) of Section 178 also by the Nomination and Remuneration Committee.
- (ii) The company has not committed any default in payment of dues to any Bank or public Financial Institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the Bank or Public Financial Institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting.
- (iii) An Ordinary resolution or a Special resolution, as the case may be having been passed for payment for remuneration as per item (A) or a Special Resolution has been passed for payment of remuneration as per item (B) at the General Meeting of the company for a period not exceeding 3 years.

A statement along with Notice calling the General meeting with certain specified information is to be given to the shareholders.

Therefore, it is proposed to pay a monthly remuneration of ₹3,00,000/- per month in the Scale of ₹300000-₹10000- ₹320000 for a period of 3 years from 1st July, 2021 to 30.6.2024 as per Schedule V of the Companies Act, 2013, as under:

a) Salary:

₹3,00,000/- per month in the Scale of ₹300000-₹10000- ₹320000 for a period of 3 years from 1st July, 2021 upto 30th June, 2024.

b) Commission:

Subject to the overall limits laid down in Sections 197 of the Companies Act, 2013, such percentage of the Net Profits of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 5% of the Net Profits of the Company, each year, restricted to an overall limit of ₹42 lacs per annum.

c) Perquisites as follows:

- (i) Housing: Rent free accommodation will be provided to the appointee for which actual amount of lease rental paid or payable by the Company or 10% of the salary, whichever is lower, shall be recovered. In case no accommodation is provided by the Company, House Rent Allowance, subject to a ceiling of 60% of the appointees salary shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- (ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- (iii) All Medical Expenses incurred by the appointee for self and his family shall be reimbursed.
- (iv) Leave Travel Concession for the appointee and his family will be allowed once in a year as per the Rules of the Company.
- (v) Fees of Clubs: Subject to a maximum of 2 Clubs. This will not include admission and life membership fees.
- (vi) Personal Accident Insurance: As per Rules of the Company.
- (vii) Provision of Car with driver and telephone at the residence for use of Company's business.

Perquisites not included in Managerial Remuneration

- a. contribution to Provident Fund, Superannuation 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 salary for each completed year of service; and
- c. encashment of leave at the end of the tenure.

d) Overall Remuneration:

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197, and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.

NOTICE (Contd...)

e) Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Act.

Further more , approval of the members in general meeting by way of a special resolution is required to be obtained for payment of minimum remuneration, by way of salary and perquisites and allowance as specified above in the event of absence or inadequacy of profits in any financial year during the tenure of Shri Ankur Patodia , Managing Director of the Company.

Shri. Ankur Patodia is deemed to be interested in the resolution mentioned in item No.3 of the Notice.

None of the other Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

Information require to be disclosed in terms of Schedule V of the Companies Act 2013

General information:

i. Nature of industry:

Textiles Industry- the company is mainly engaged in manufacture and exports of cotton yarn in the segment of medium, fine and superfine combed yarns.

ii. Date or expected date of commencement of commercial production

The commercial production has commenced during October 1998

iii. In the case of new companies, expected date of commercial activities as per project approved by financial appearing in the prospectus

Not Applicable

iv. Financial performance:

Particulars	2018-19	2019-20	2020-21
Revenue from Operations	16248	13012	15253
Other income	40	51	37
Operating Profit	921	(35)	904
Finance Costs	902	815	798
PBDT	19	(850)	106
Profit /(Loss)Before Tax	(401)	(1278)	(315)
Profit / (Loss)After Tax	(300)	(1158)	(241)
Amount of Equity Dividend Paid	-	-	-
Rate of Dividend Declared (%)	-	-	-

The effective capital of the company based on the Audited Accounts for the Year Ended 31st March 2021 is ₹36 crores

The company has not made any default in the repayment on its dues (including public deposits) or interest payments thereon. The company has not issued any debentures.

The company does not have any Foreign Exchange Collaboration

v. Foreign investments or Collaborators, if any:

The company does not have any foreign investments or collaborators.

II. Information about the appointee: Shri. Ankur Patodia

Vide item No 3 of the notice of this Annual General Meeting of the company the approval of the members is being sought for fixation of the remuneration of Shri. Ankur Patodia, Managing Director effective from 1st July 2021 for a period of three years up to 30.06.2024. Shri Ankur Patodia is a citizen of India 48 years of age.

He holds Degree in Arts and has about 17 years experience in Textiles Industry, Yarn Marketing and Cotton Trade.

The company's operations are managed by Shri. Ankur Patodia as well as implementation of all policy matters under the guidance of the Board of Directors. Shri Ankur Patodia is holding the position of Managing Director of GTN Enterprises Limited Since 2005.

During the financial year 2020-21 he was paid ₹ 21.98 lakhs as remuneration plus usual perquisites vis. Provident Fund, Superannuation or Annuity Fund and Gratuity.

Pecuniary Relationship: the company had not entered into any transaction of material in nature with any of the related parties which were in conflict with the interest of the company. Further, all transactions with the related parties were in the ordinary course of business and at arms length.

NOTICE (Contd...)

III. Other information

The Directors Report forming part of the Annual Report mentioned in details” **Other Information**” as required under Schedule V of the Companies Act, 2013

Draft agreement referred in the resolution would be available for inspection by the members at the Registered Office of the Company during normal business hours on all working days up to the date of the Annual General Meeting

Shri. B.K Patodia, Shri. Umang Patodia and Shri Ankur Patodia are related to each other and are deemed to be interested in the resolution mentioned in item No 3 of the Notice

None of the other Directors of the Company or their relatives is in any way concerned or interested, financially or otherwise in the resolution

The terms and conditions mentioned in item No 3 of the notice may also be taken as a Abstract of the agreement to be made by the company with Shri. Ankur Patodia, pursuant to Section 190 of the Companies Act, 2013

Item No.4

The Board of Directors of the company, on the recommendation of the Audit Committee, approved the appointment of M/s Hareesh K.N & Associates, Cost Accountants as Cost Auditors to conduct the audit of the cost records of the company's textile units at a remuneration of ₹ 35,000 (Rupees thirty five thousand only) plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the financial year 2021-22

In terms of the provisions of section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Cost Records & Audit) Rules, 2014, the remuneration payable to the cost auditor has to be ratified by the members of the company. Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No - of the notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31st March 2022.

None of the Directors and / or Key Managerial Personnel of the company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No 4

The Board recommends the Ordinary Resolution as mentioned in item no. 4 of this Notice for approval of the members

BY ORDER OF THE BOARD
FOR GTN ENTERPRISES LIMITED

Place : Mumbai
Date : 08.09.2021

B K PATODIA
Chairman

GTN ENTERPRISES LIMITED

BOARD'S REPORT

To the Members,

Your Directors present the **FORTIETH (40th)** Board's Report together with the Audited Statement of Accounts for the year ended 31st March, 2021

1. FINANCIAL RESULTS

₹ in lacs

Particulars	Year ended	
	31.3.2021	31.3.2020
REVENUE		
Income from operations	15253	13012
Other income	37	51
Changes in Inventories	(273)	(400)
Sub Total	15017	12663
EXPENSES		
a) Cost of materials	10344	8146
b) Employee benefits expense	1066	1318
c) Other expenses	2703	3234
Sub Total	14113	12698
OPERATING PROFIT	904	(35)
Finance Costs	798	815
PROFIT/(LOSS) BEFORE DEPRECIATION, AMORTISATION & TAX EXPENSES	106	(850)
Depreciation and Amortisation Expenses	421	428
PROFIT/(LOSS) BEFORE TAX	(315)	(1278)
Tax Expenses		
a) Provision for Current Tax	-	
b) Tax relating to earlier years	-	137
c) MAT credit reversal	-	76
d) Deferred Taxation (credit)	74	(333)
PROFIT/(LOSS) AFTER TAX	(241)	(1158)

2. FINANCIAL PERFORMANCE

The sudden outbreak of COVID-19 Pandemic worldwide since January 2020 and in India from March 2020 and the resultant nationwide lockdown announced by Government of India from 24th March 2020 has significantly affected normal working of the Company. Manufacturing operations at company's plant in Tamil Nadu was suspended since 24th March 2020 on account of Nation-wide lock down. The Manufacturing operations have commenced in a phased manner on 6th May 2020 adhering to required safety precautions as per Govt.regulations. Post resumption the capacity utilisation at the plant was low due to Lower demand on account of Lesser consumer spend, paucity of Labour and Liquidity stress. The capacity utilisation was gradually ramped up from 3rd Quarter. There were Nil revenues during the period of suspension of manufacturing operations due to nation-wide lock down. However, your company had to meet various payment obligations towards wages & salary, Fixed overheads, Statutory payments. Your company obtained Emergency Credit Line Facility Guaranteed by Central Government to tide over business stress on account of COVID and restart operations successfully.

Despite of the tough situations from the above given background, your company's Income from Operations during the year increased to ₹15253 lakhs from 13012 lakhs in the previous year. The year under review reported an Operating Profit of ₹ 904 lacs as against a operating loss of ₹ 35 lacs of the previous year. Finance Cost was lower at ₹798 lacs as against ₹ 815 lacs in the previous year. Depreciation for the year was at ₹421 lacs for the year as against ₹428 lacs in the previous year. The Net Loss recorded before tax was lower at ₹315 lacs as against ₹1278 lacs in the previous year and the Net loss after Tax Credit including deferred tax Adjustments was lower at ₹241 Lacs as against ₹ 1278 Lacs in the previous year. There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report other than the impact of COVID-19 on the business operations of the Company detailed in this Report as well as in Notes to the Financial Statements of the Company. There is no change in the nature of your Company's business during the year under review.

BOARD'S REPORT (Contd...)

3. RESOLUTION PLAN

To tide over liquidity stress on account of Covid-19 pandemic and its financial impact, your company had approached its Lenders with a Restructuring / Resolution of outstanding debts Proposal (RP) pursuant to Resolution Framework for COVID-19-related Stress RBI Circular dated 6th August 2020. Lenders have agreed to consider the RP and have carried out Techno Economic Viability study and have obtained desired RP4 rating from Credit rating Agency for the said RP to take up sanction. Nevertheless, with improvement in market conditions, profitability and liquidity, your Company has decided not to pursue the Restructuring / Resolution Proposal and instead has sought renewal of working capital Limits from its bankers with reduction in interest rates and working capital margins.

4. DIVIDEND

In view of the losses for the financial year ended 31st March 2021, the Board of Directors regret their inability to recommend any dividend for the year 2020-21.

5. DIRECTORS

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Shri B.K.Patodia (DIN 00003516), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-election. Based on the recommendation of Nomination and Remuneration Committee, the Board recommends and seeks shareholders' approval for appointment of Shri B.K.Patodia (DIN 00003516) as a Non Executive Director.

There is no change in the composition of the Board of Directors and the Key Managerial Personnel, except as stated above

6. NUMBER OF MEETINGS OF THE BOARD

The Board is headed by Non Executive Chairman, Shri. B.K. Patodia and comprises eminent persons with considerable professional experience in diverse fields. Six (6) meetings of the Board of Directors were held during the Financial Year 2020-21

7. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met once during the Financial Year under review. The Meeting was conducted without the presence of the Non-Independent Directors and members of management.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuing compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on 31st March, 2021 and state that:

a) in the preparation of the Annual Accounts, the applicable Indian Accounting Standards have been followed and there are no material departures from the same;

- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your company as at 31st March 2021 and of the profit or loss of the company for that period;
- c) the Directors have 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 your company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013, annual evaluation of the Board, the Directors individually as well as working of its constituted committees has been carried out from time to time.

10. AUDITORS

M/s. Raghu and Ram, Chartered Accountants (ICAI Firm Reg. No: 003340S), Coimbatore were appointed as the Auditors of the Company at the 36th Annual General Meeting (AGM) held on 22nd September 2017 to hold office from the conclusion of the 36th AGM till the conclusion of the 41st AGM of the Company for a term of 5 years, subject to ratification of the appointment by the members at every Annual General Meeting. The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn consequent up on the changes made by the Companies (Amendment) Act 2017 with effect from May 07, 2018.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.

Reports issued by the Statutory Auditors on the financial statements for the year ended 31st March 2021 are with unmodified opinion (unqualified).

11. COST AUDITORS

Pursuant to Section 148 of the Act read with Rule 14 of the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records of the Company are required to be audited. The Directors, on the recommendation of the Audit Committee, appointed M/s. Hareesh K.N and Associates, Cost Accountants (Firm Reg. No. 101974) Cost Accountants, to audit the

BOARD'S REPORT (Contd...)

cost accounts of the Company for the FY ending 31st March, 2022, on a remuneration as mentioned in the Notice convening the 40th Annual General Meeting for conducting the audit of the cost records maintained by the company.

12. DEPOSIT FROM PUBLIC

The Company does not have "Deposits" as contemplated under Clause V of the Companies Act 2013. Further, the company has not accepted any such deposits during the year ended 31st March 2021.

13. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 134(3)(a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the company for the Financial Year 31st March 2021 is annexed hereto as Annexure I and forms part of this Report.

14. RELATED PARTY TRANSACTIONS

All transactions entered with related parties were on arms length basis and in the ordinary course of business. There were no materially significant transactions with the related parties during the financial year, and were not in conflict with the interest of the company. Thus, a disclosure in Form AOC -2 in terms of Section 134 of the Companies Act 2013 is not required. All related party transactions are placed before the Audit Committee as also before the Board for approval.

The Board of Directors, as recommended by the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. This Policy has been uploaded on the website of the Company

15. LOANS & INVESTMENTS

Details of loans, guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements forming part of this report.

16. CREDIT RATING

Infomeric Valuation and Rating Pvt. Ltd. (Infomeric) has assigned - "IVR BB +" (IVR Double BB plus with stable outlook) credit rating for the long term facilities and "IVR A4" (IVR A Four) credit rating for short term facilities of the company

17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Even though the provisions of Section 135 (5) of Companies Act, 2013 regarding Corporate Social Responsibility are not yet attracted, the company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

18. RISK MANAGEMENT

The company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/ mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted, and no major risks were noticed, which may threaten the existence of the company.

19. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has a Vigil Mechanism / Whistle Blower Policy to report genuine concerns or grievances. The Vigil Mechanism (Whistle Blower Policy) has been posted on the company's website (www.gtnterprises.com).

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREGIN EXCHANGE AND OUTGO

Information required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the **Annexure II** forming part of this report

21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk mitigation system designed to effectively control the operations at its Head Office, Plants and Depots. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures. Independent Internal Auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors.

Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the company.

22. NOMINATION & REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a frame work in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

BOARD'S REPORT (Contd...)

23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an anti-sexual harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Compliance Committee (ICC) is already been functioned for redressing complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaints under this policy during the year ended 31st March, 2021.

24. PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134 (3) (q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUENRATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required pursuant to section 134 (3) (q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered office of the company during business hours on working days of the company up to the date of the ensuing Annual General meeting. If any Member is interested in obtaining a copy thereof, such member may write to the company in this regard.

25. PERSONNEL & INDUSTRIAL RELATIONS

Industrial Relations were cordial and satisfactory. There were no employees whose particulars are to be given in terms of Section 134(3)(q) of the companies Act,2013 read with Rule 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the Regulators or Courts or Tribunals that would impact the going concern status of your Company and its future operations.

27. GENERAL

- a) There was no issue of equity shares with differential rights as to dividend, voting or otherwise: and;
- b) There was no issue of shares (including sweat equity shares) to the employees of the company under any scheme.

28. ACKNOWLEDGEMENT

Your Directors place on record their gratitude to Central Bank of India, State Bank of India(SBI), Kotak Mahindra Bank Limited and concerned Departments of the State and Central Government, valuable customer, Employees and Shareholders for their assistance, support and co-operation to the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 8.9.2021

B K PATODIA
(DIN:00003516)
Chairman

Annexure - I

FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2021

[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:-U67120KL1981PLC013244
- ii. Registration Date: 27/07/1981
- iii. Name of the Company: GTN ENTERPRISES LIMITED
- iv. Category / Sub-Category of the Company: PUBLIC, HAVING SHARE CAPITAL

NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:	
Name	GTN ENTERPRISES LIMITED
Address	ERUMATHALA PO, ALUVA, ERNAKULAM
ERNAKULAM	ERNAKULAM
Town / City	ERNAKULAM
State	KERALA
Pin Code:	683105
Country Name	INDIA
Country Code	91

- vi) Whether listed Company: NO
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	COTTON YARN SPINNING	13111	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

Not Applicable

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1.04.2020]				No. of Shares held at the end of the year[As on 31.03.2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	4500810	NIL	4500810	99.967	4500810	NIL	4500810	99.967	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	1500	NIL	1500	0.033	1500	NIL	1500	0.033	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A)	4502310	NIL	4502310	100	4502310	NIL	4502310	100	NIL
B. Public Shareholding									
1. Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Annexure - I (Contd...)

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1.04.2020]				No. of Shares held at the end of the year[As on 31.03.2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1) + (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	4502310	NIL	4502310	100	4502310	NIL	4502310	100	0.00

ii. Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year (01.04.2020)			Share holding at the end of the year (31.03.2021)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Binod Kumar Patodia	472310	10.49	NIL	472310	10.49	NIL	NIL
2	Binod Kumar Patodia HUF	608500	13.51	NIL	608500	13.51	NIL	NIL
3	Umang Patodia HUF	392000	8.70	NIL	392000	8.70	NIL	NIL
4	Ankur Patodia HUF	360000	8.00	NIL	360000	8.00	NIL	NIL
5	Prabha patodia	580000	12.89	NIL	580000	12.89	NIL	NIL
6	Patodia Exports and Investments Pvt Ltd	500	0.01	NIL	500	0.01	NIL	NIL
7	Beekaypee Credit Pvt Ltd	500	0.01	NIL	500	0.01	NIL	NIL
8	Umang Finanace Pvt Ltd	500	0.01	NIL	500	0.01	NIL	NIL
9	Umang Patodia & Binod Kumar Patodia, Prabha Patodia(J/H)	555000	12.32	NIL	555000	12.32	NIL	NIL
10	Mala Patodia & Binod Kumar Patodia, Umang Patodia (J/H)	473000	10.51	NIL	473000	10.51	NIL	NIL
11	Ankur Patodia & Bonod Kumar Patodia, Prabha Patodia(J/H)	650000	14.44	NIL	650000	14.44	NIL	NIL
12	Swati Patodia & Binod Kumar Patodia, Prabha Patodia(J/H)	410000	9.11	NIL	410000	9.11	NIL	NIL

Annexure - I (Contd...)

iii. Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year (31.03.2021)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	4502310	100	4502310	100
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	NO CHANGES DURING THE YEAR			
3	At the end of the year	4502310	100	4502310	100

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Not Applicable

v. Shareholding of Directors and Key Managerial Personnel:

SN	NAME OF THE KMP AND DIRECTORS	PARTICULARS	Shareholding at the beginning of the year (01.04.2020)		Cumulative Shareholding during the year(31.03.2021)	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ankur Patodia	At the beginning of the year	650000	14.44	650000	14.44
		Changes during the year	No Changes			
		At the end of the year			650000	14.44
2	B.K. Patodia	At the beginning of the year	472310	10.49	472310	10.49
		Changes during the year	No Changes			
		At the end of the year			472310	10.49
3.	P.C. Seksaria	At the beginning of the year	0	0.00		
		Changes during the year			0	0.00
		At the end of the year			0	0.00
4.	P.N.Sukumaran Nair	At the beginning of the year	0	0.00		
		Changes during the year			0	0.00
		At the end of the year			0	0.00
5	B.L. Singhal	At the beginning of the year	0	0.00		
		Changes during the year			0	0.00
		At the end of the year			0	0.00
6	V.N.Balakrishnan	At the beginning of the year	0	0.00		
		Changes during the year			0	0.00
		At the end of the year			0	0.00
7	Umang Patodia	At the beginning of the year	555000	12.32		
		Changes during the year	No Changes			
		At the end of the year			555000	12.32

Annexure - I (Contd...)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,093.12	460.50	-	4,553.62
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	28.19	13.78	-	41.97
Total (i+ii+iii)	4,121.31	474.28	-	4,595.59
Change in Indebtedness during the financial year				
* Addition		444.61	-	444.61
* Reduction	1,044.12	0.00	-	1,044.12
Net Change	-1,044.12	444.61	-	-599.51
Indebtedness at the end of the financial year				
i) Principal Amount	3,068.74	860.50	-	3,929.24
ii) Interest due but not paid	8.45	-	-	8.45
iii) Interest accrued but not due	0.00	58.39	-	58.39
Total (i+ii+iii)	3,077.19	918.89	-	3,996.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

In ₹

SN.	Particulars of Remuneration	ANKUR PATODIA (MANAGING DIRECTOR)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2197510	2197510
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
	Total (A)	2197510	2197510
	Ceiling as per the Act	6000000	6000000

ii. Remuneration to other directors

In ₹

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		B.L Singhal	P.C Seksaria	P.N Sukumaran Nair	V.N. Balakrishnan	
1	Independent Directors					
	Fee for attending board / committee meetings	16000	18000	20000	12000	66000
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	16000	12000			28000
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					94000
	Overall Ceiling as per the Act					

Annexure - I (Contd...)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFNCES:

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			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Date: 8.9.2021

Place: Mumbai

B. K. PATODIA

Chairman

Annexure - II

ANNEXURE TO THE DIRECTOR'S REPORT

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo etc. required to be disclosed under Section 134 of the Companies Act 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of energy-

- (i) The step taken or impact on conservation of energy
 - (ii) The steps taken by the company for utilizing alternate sources of energy
 - (iii) The capital investments on energy conservation equipments
- In GEL A , Spg H Plant Exhaust fan angle reduction made and achieved a saving of 6480 Units per year .
 - In GEL A Prep H Plant 5.5 KW Pump motor replaced with 3.7 KW open well pump and achieved a saving of 3240 Units per year.
 - Total saving in the above 2 conservation efforts is 28 units per day and ₹168 per day and ₹0.60 lacs per year at ₹ 6 per unit of power

(B) Technology absorption:

- a) The efforts made towards technology absorption : Updation of Technology is a continuous process, absorption implemented and adapted by the company for innovation. Efforts are continuously made to develop new products required in the Textile / Spinning Industry.
- b) the benefits derived like product improvement, cost reduction, product development or import substitution : Individual Spindle Monitoring system installed in 2 ring frames for real time monitoring of production data, power, breakages, waste, defective spindles, worker efficiency, humidity, etc to effect improvement in productivity, efficiency and quality levels. Here, along with short stretch (yarn working angle conversion) we are getting 5% improvement in productivity and improved yarn quality. Short stretch conversion (Spinning Geometry change) done in 4 ring frames with an improvement in productivity by 3 to 5% in different products.
- c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : In many areas appropriate technology updation has been done
 - a) the details of technology imported
 - b) the year of import;
 - c) whether the technology been fully ab-sorbed
 - d) if not fully absorbed, areas where ab-sorption has not taken place, and the reasons thereof
- d) The expenditure incurred on Research and Development. : NIL

The Foreign Exchange earned in terms of actual inflow during the year ₹8695.63 Lakhs

The Foreign Exchange outgo during the year in terms of actual outflows ₹2713.19 Lakhs

For and on behalf of the Board of Directors

Place : Mumbai
Date : 08.09.2021

B. K. PATODIA
Chairman
(DIN:00003516)

INDEPENDENT AUDITOR'S REPORT

To the Members of GTN Enterprises Limited

Report on the audit of financial statements

Opinion

We have audited the financial statements of **GTN Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (here in after referred to as financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ["the Act"], in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2021**, the Loss 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 on the financial statements.

Information other than the financial statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities 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.

INDEPENDENT AUDITOR'S REPORT (Contd...)

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - A. As required by Section 143 (3) of the Act, based on our audit 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 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 prescribed under section 133 of the Act;
 - e. On the basis of the written representations received from the directors of the Company as on **March 31, 2021** taken on record by the board of directors, none of the directors are disqualified as on **March 31, 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 "B"** and
 - B. With respect to the other matters to be included in the auditors' report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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.
 - ii. The Company does not have any long-term contracts including derivative contracts.
 - iii. There are no accounts required to be transferred to the Investor Education and Protection Fund by the Company.

INDEPENDENT AUDITOR'S REPORT (Contd...)

C. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Companies Act 2013.

For **Raghu & Ram**
Chartered Accountants
ICAI FRN 003340S

T. Raghunathan

Place: Coimbatore
Date : 23/06/2021

Proprietor
M.No.019425
UDIN: 21019425AAAAFK6172

Annexure - A to the Independent Auditors' Report

Referred to in paragraph (1) under report on Other Legal and Regulatory Requirements section of our report of even date to the members of the company on the financial statements for the year ended 31st March, 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets and no material discrepancies were noted on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) During the year, Inventories has been physically verified by the Management and there were no material discrepancies were noticed during such verification.
- (iii) As informed to us, during the year the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to sub-section (1) of Section 148 of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, excise, income-tax, sales tax, goods and service tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. However, in respect of Provident Funds and Employees state insurance premium there were some delays in remittance. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are following dues of which have not been deposited on account of dispute and the same being contested by the Company.

Name of the Statute	Nature of dues	Amount of Rupees in lakhs	Period to which the amount relates	Forum where dispute is pending
Kerala VAT Act	Tax on Sales return	0.69	2013-14	Commissioner (Appeals)

- (viii) During the year, Company has not defaulted in repayment of dues to Banks or financial institutions. However, there is a delay of few days on account of repayment of term loan to banks.

INDEPENDENT AUDITOR'S REPORT (Contd...)

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and however, the company has borrowed term loans during the year and same was utilised for the purpose it was stated.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Raghu & Ram**
Chartered Accountants
ICAI FRN 003340S

T. Raghunathan
Proprietor
M.No.019425

Place: Coimbatore
Date : 23/06/2021

Annexure - B to the Independent Auditors' Report on the financial statements of GTN Enterprises Limited Report on the Internal Financial Controls with reference for the aforesaid financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") Opinion

(Referred to-in paragraph 1(A)(f) under Report on Other Legal and Regulatory Requirements section of our report of even date)

Opinion

We have audited the internal financial controls over financial reporting of GTN Enterprises Limited ("the Company") as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the company has, in all material respects adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the 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 (hereinafter referred to as "the Act").

INDEPENDENT AUDITOR'S REPORT (Contd...)

Auditors' 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 the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls Over Financial Reporting and the Guidance Note issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 auditor's 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For **Raghu & Ram**
Chartered Accountants
ICAI FRN 003340S

T. Raghunathan
Proprietor
M.No.019425

Place: Coimbatore
Date : 23/06/2021

GTN ENTERPRISES LIMITED

BALANCE SHEET

		As at 31.03.2021 (₹ in lacs)	As at 31.03.2020 (₹ in lacs)
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	450.23	450.23
(b) Reserves and surplus	3	2175.01	2416.40
Sub-Total		2,625.24	2,866.63
2 Non-current liabilities			
(a) Long-term borrowings	4	955.93	356.50
(b) Deferred tax liabilities (Net)	5	382.72	456.83
Sub-Total		1,338.65	813.33
3 Current liabilities			
(a) Short-term borrowings	6	2744.90	3994.04
(b) Trade payables	7		
i) total outstanding dues of micro enterprises and small enterprises		25.40	31.40
ii) total outstanding dues of creditors other than micro enterprises and small enterprises.		2801.75	4,581.25
(c) Other current liabilities	8	403.30	346.45
Sub-Total		5,975.35	8,953.14
TOTAL		9,939.24	12,633.10
II. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	9		
(i) Tangible assets		4740.56	5110.90
(ii) Intangible assets		12.15	22.39
(iii) Capital work-in-progress		-	37.30
(b) Non-current investments	10	57.01	56.25
(c) Long-term loans and advances	11	590.16	612.98
Sub-Total		5,399.88	5,839.82
2 Current assets			
(a) Inventories	12	1903.03	3078.88
(b) Trade receivables	13	1248.67	2128.31
(c) Cash and Bank Balances	14	557.91	651.78
(d) Short-term loans and advances	15	360.75	451.18
(e) Other current assets	16	469.00	483.13
Sub-Total		4,539.36	6,793.28
TOTAL		9,939.24	12,633.10

Significant Accounting Policies

1

The accompanying Notes 1 to 39 are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board

For **RAGHU AND RAM**

Chartered Accountants (FIRM REG NO:003340S)

T RAGHUNATHAN

Proprietor
(M. NO.019425)

Place : Coimbatore
Date : 23rd June 2021

B. K. PATODIA

Chairman
DIN No. 00003516

Place : Kochi
Date : 23rd June 2021

ANKUR PATODIA

Managing Director
DIN No. 00003567

Place : Mumbai
Date : 23rd June 2021

GTN ENTERPRISES LIMITED

STATEMENT OF PROFIT AND LOSS

	Note No.	Year ended March 31, 2021 (₹ in lacs)	Year ended March 31, 2020 (₹ in lacs)
REVENUE:			
Revenue From Operations	17	15,252.69	13,012.18
Other income	18	36.85	51.24
Total Revenue		15,289.54	13,063.42
EXPENSES:			
Cost of Raw Materials Consumed	19	9,085.77	7,473.03
Purchases of Stock-in-Trade		1,258.08	673.24
Changes in inventories of Finished goods, Work-in-progress and Waste	20	272.85	399.62
Employee Benefits Expense	21	1,065.96	1,318.54
Finance Costs	22	798.37	814.96
Depreciation and Amortization Expense		421.40	428.02
Other Expenses	23	2,702.61	3,233.83
Total Expenses		15,605.04	14,341.24
Profit /(Loss) before tax		(315.50)	(1,277.82)
Tax Expense:			
Provision for Current tax		-	-
Tax relating to earlier years		-	137.39
Mat Credit Reversal		-	76.21
Deferred Tax Charge/(Credit)		(74.11)	(332.95)
Profit /(Loss) for the year		(241.39)	(1,158.47)
Earnings per equity share:			
Basic and Diluted (in ₹) (Face value of ₹ 10 each)		(5.36)	(25.73)
Significant Accounting Policies	1		

The accompanying Notes 1 to 39 are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board

For **RAGHU AND RAM**

Chartered Accountants (FIRM REG NO:003340S)

T RAGHUNATHAN

Proprietor
(M. NO.019425)

Place : Coimbatore
Date : 23rd June 2021

B. K. PATODIA

Chairman
DIN No. 00003516

Place : Kochi
Date : 23rd June 2021

ANKUR PATODIA

Managing Director
DIN No. 00003567

Place : Mumbai
Date : 23rd June 2021

GTN ENTERPRISES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

	2020-21 (₹ In Lacs)	2019-20 (₹ In Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and extra ordinary items	(315.50)	(1,277.82)
Adjustments for:		
Depreciation	411.16	417.25
Amortisation	10.24	10.77
(Profit)/loss on sale of tangible assets (net)	0.18	0.44
Interest income	(32.74)	(41.46)
Interest Expenditure	641.66	663.46
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	715.00	(227.36)
Changes in Working Capital:		
Increase / (Decrease) in trade payables	(1,785.50)	193.90
Increase / (Decrease) in provisions	-	(3.43)
Increase / (Decrease) in other current liabilities	26.30	28.60
(Increase) / Decrease in trade receivables	879.64	159.11
(Increase) / Decrease in inventories	1,175.85	1,246.16
(Increase) / Decrease in Short Term loans and advances	104.02	(23.95)
(Increase) / Decrease in other Bank balances	258.28	(26.22)
CASH GENERATED FROM OPERATIONS	1,373.59	1,346.81
Taxes paid (net of refunds)	22.82	77.13
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,396.41	1,423.94
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, plant and equipment	(3.90)	(91.52)
Sale of tangible/intangible assets	0.20	0.02
Investment in Shares	(0.76)	(0.07)
Interest received	33.26	42.07
NET CASH FROM INVESTING ACTIVITIES	28.80	(49.50)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of Long Term borrowings	624.77	(226.23)
Repayment of Short Term borrowings	(1,649.14)	(439.67)
Repayment of Finance Lease obligation (Net)	(0.03)	(1.16)
Intercorporate Deposits	150.00	(86.00)
Loan from Directors/Related Parties	250.00	100.00
Interest paid	(636.40)	(673.49)
NET CASH USED IN FINANCING ACTIVITIES	(1,260.80)	(1,326.55)
NET INCREASE IN CASH AND CASH EQUIVALENTS	164.41	47.89
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	159.43	111.54
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	323.84	159.43

Note:

1. The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3- Cash Flow Statement
2. Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached

For and on behalf of the Board

For **RAGHU AND RAM**

Chartered Accountants (FIRM REG NO:003340S)

T RAGHUNATHAN

Proprietor
(M. NO.019425)

Place : Coimbatore
Date : 23rd June 2021

B. K. PATODIA

Chairman
DIN No. 00003516

Place : Kochi
Date : 23rd June 2021

ANKUR PATODIA

Managing Director
DIN No. 00003567

Place : Mumbai
Date : 23rd June 2021

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

1 Summary of Significant accounting policies

a. Basis of preparation

The financial statements are prepared to comply with the mandatory Accounting Standards prescribed in the Companies (Accounting Standards) Rules 2006, (as amended) issued by the National Advisory Committee on Accounting Standards and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention, on the basis of a going concern and on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 (twelve) months for the purpose of current – non current classification of assets and liabilities.

b. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses of that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

c. Property, plant and equipment

(i) Tangible Assets/Intangible Assets are stated at acquisition cost less net of accumulated depreciation. Expenditure during construction period in respect of new project/expansion is allocated to the respective Property, plant and equipment until they are ready for commercial use. Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Also refer Policy g and h below. Losses arising from the retirement of, and gains or losses arising from disposal of Property, plant and equipment which are carried at cost are recognised in the Statement of Profit and Loss.

(ii) Impairment of Assets : The company assesses at each Balance Sheet date whether there is any indication that any asset (both tangible and intangible) may be impaired, if any such indication exists, the carrying value of such assets is reduced to recoverable amount and the impairment loss is charged to Statement of Profit and Loss. If at the Balance sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

d. Investments

Long term investments are stated at cost less provision, if any, for other than temporary diminution in the value of investments.

e. Inventories

Inventories are stated at lower of cost and net realisable value. Goods in process is stated at cost. The cost includes cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost formula used are "Weighted Average Method" or "Specific Identification Method" as applicable.

f. Revenue Recognition

Sales are recognised as and when risks and rewards of ownership are passed on to the buyer and ultimate realisation of price is reasonably certain. Sales are net of Goods and Service Tax

g. Borrowing Cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. All other Borrowing costs are charged to Statement of Profit and Loss.

h. Depreciation

Depreciation has been provided on straight line method based on useful life of Assets as prescribed in Schedule II to the Companies Act, 2013.

Plant and equipments have been, on technical assessment, considered as continuous process plants as defined in the said Schedule and depreciation has been provided accordingly.

Intangible Assets are amortised based their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

i. Employee Benefits

Short Term employee benefits including accrued liability for Leave Encashment (other than termination benefits) which are payable within 12 (twelve) months after the end of the period in which the employees render service are paid/provided during the year as per the Rules of the Company.

(i) Defined Contribution Plans:

Retirement benefits in the form of Provident Fund, Family Pension Funds, Superannuation Fund (wherever opted) and ESIC are defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the Year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

(ii) Defined Benefit plans:

The company provides for Gratuity, a defined benefit retirement plan, covering eligible employees. The scheme is funded with Life Insurance Corporation of India. Liability under Gratuity plan is provided for on the basis of an actuarial valuation on projected unit credit method made to the end of each period.

(iii) Termination Benefits:

Payments under Voluntary Retirement Scheme, if any are recognized in the Statement of Profit and Loss of the year in which such payments are effected.

j. Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the rate of exchange in force at the date of transactions.

Foreign Currency assets and liabilities both monetary and non monetary are stated at the rate of exchange prevailing at the year end and resultant gains/losses are recognised in the Statement of profit and loss. Premium / Discount in respect of Forward Foreign Exchange contracts are recognised over the life of the contracts.

k. Taxation

Income Tax expenses comprises Current Tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year, unabsorbed depreciation or carry forward loss under taxation laws).

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted on the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets at each balance sheet date the Company re-assesses the deferred tax assets.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period and is reviewed at each balance sheet date.

l. Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

m. Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The determination whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

specified in an arrangement.

(i) Company as a lessor

The rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant leases except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

(ii) Company as a lessee

Contingent rentals are recognised as expenses in the periods in which they are incurred. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

n. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

o. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

2 SHARE CAPITAL

	As at 31.03.2021 (₹ in lacs)	As at 31.03.2020 (₹ in lacs)
(a) Authorised:		
49,97,500 Equity shares of ₹ 10 each	499.75	499.75
250 , 11% Cumulative Redeemable preference shares of ₹ 100 each	<u>0.25</u>	<u>0.25</u>
(b) Issued, Subscribed and Paid up:		
45,02,310 Equity shares of ₹10 each fully paid up	450.23	450.23
TOTAL	<u>450.23</u>	<u>450.23</u>

(c) Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Amount ₹ lacs	No of Shares	Amount ₹ lacs
Equity Shares:				
Balance as at the beginning of the year	4,502,310	450.23	4,502,310	450.23
Add: Shares issued during the Year	Nil	Nil	Nil	Nil
Balance as at the end of the year	4,502,310	450.23	4,502,310	450.23

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	Name of Share Holder	As at March 31, 2021		As at March 31, 2020	
		No of Shares	% of holding	No of Shares	% of holding
i	Shri. Binod Kumar Patodia	472310	10.49%	472310	10.49%
ii	Binod Kumar Patodia HUF	608500	13.52%	608500	13.52%
iii	Shri. Umang Patodia	555000	12.33%	555000	12.33%
iv	Umang Patodia HUF	392000	8.71%	392000	8.71%
v	Shri. Ankur Patodia	650000	14.44%	650000	14.44%
vi	Ankur Patodia HUF	360000	8.00%	360000	8.00%
vii	Smt. Prabha Patodia	580000	12.88%	580000	12.88%
viii	Smt. Mala Patodia	473000	10.51%	473000	10.51%
ix	Smt. Swati Patodia	410000	9.11%	410000	9.11%

(e) There was no issue of shares allotted as fully paid up shares pursuant to contract(s) without payment being received in cash or buy back or bonus shares in the preceding five years.

3 RESERVES AND SURPLUS

	As at 31.03.2021 (₹ in lacs)	As at 31.03.2020 (₹ in lacs)
(a) General Reserve		
Balance as at the beginning and end of the year	1,005.00	1,005.00
(b) Capital Reserve		
Balance as at the beginning and the end of the year	15.00	15.00
(c) Surplus/(Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	1,396.40	2,554.87
Add: Profit/(Loss) for the year	(241.39)	(1,158.47)
Balance as at the end of the year	<u>1,155.01</u>	<u>1,396.40</u>
TOTAL	<u>2,175.01</u>	<u>2,416.40</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	As at 31.03.2021 (₹ in lacs)		As at 31.03.2020 (₹ in lacs)	
	Non Current	Current	Non Current	Current
4 LONG TERM BORROWINGS				
SECURED LOANS				
(a) Term Loans :				
From Financial Institutions	-	-	88.12	129.37
From Banks	737.09	107.91		
(b) Finance Lease obligations				
From Banks	-	-	-	0.03
UNSECURED LOANS				
Term Loans :				
From Banks	218.84	120.51	268.38	73.70
Total	<u>955.93</u>	<u>228.42</u>	<u>356.50</u>	<u>203.10</u>

I Term Loan are secured by :

- (i) Term loans from financial institution outstanding of ₹Nil lacs (Previous year - ₹217.49 lacs) was secured by first charge by way of equitable mortgage on all the immovable assets of the Company both present and future and hypothecation of all the movable assets of the company (excluding assets purchased on hire purchase basis), subject to prior charges in favour of banks for working capital ranking parri passu interse.
- (ii) Term loans from Banks outstanding of ₹845 lacs (Previous year - Nil lacs) are guaranteed by Government of India under Emergency Credit Line Guarantee Scheme shall rank second parri passu with the existing credit facilities (excluding assets purchased on finance lease obligation).
- (iii) Finance lease obligations are relating to vehicles and are secured against hypothecation of the vehicles financed.
- (iv) The unsecured Term loan aggregating to ₹339.35 lacs (Previous year ₹342.08 lacs) from a scheduled Bank, is guaranteed by the Chairman and also by Managing Director of the Company in their personal Capacity. Out of this ₹50 lac (Previous year Nil) is guaranteed by Government of India under Emergency Credit Line Guarantee Scheme.

II The Maturity Pattern of Secured Loans are as set out below:

(₹ in lacs)

	Maturity Pattern		
	Within One Year	2-5 Years	Beyond 5 Years
a) Term Loans	107.91	737.09	-

III Rate of Interest:

a) Term Loans	7.46%
b) Unsecured loans	12.86%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	As at 31.03.2021 (₹ in lacs)	As at 31.03.2020 (₹ in lacs)
5 DEFERRED TAX LIABILITY (NET)		
(a) Deferred Tax Liabilities		
Difference of companies act and income tax act depreciation	790.12	832.69
(b) Deferred Tax Asset		
Other Disallowances	407.40	375.86
Net Deferred Tax Liability (a)-(b)	382.72	456.83
6 SHORT TERM BORROWINGS		
(a) SECURED LOANS		
Loan Repayable on demand		
From Banks - Working Capital facilities	1,884.40	3,533.54
(b) UNSECURED LOANS		
Corporate Deposit	510.50	360.50
Loan from Directors/Related Parties	350.00	100.00
Total	2,744.90	3,994.04

- i Working Capital loans from Banks are secured by pari passu first charge by way of hypothecation of current assets, and further secured by way of first charge on all immovable assets, both present and future and on all movable assets of the company (excluding assets purchased on hire purchase basis), ranking pari passu interse, and further secured by personal gurantee of Shri B.K.Patodia, Shri Umang Patodia and Shri Ankur Patodia.
- ii Non-fund based limits sanctioned by the bankers are secured by extension of first charge on the current assets of the Company and further secured by first charge on the immovable properties of the company, and further secured by personal gurantee of Shri B.K.Patodia, Shri Umang Patodia and Shri Ankur Patodia. Total amount outstanding at the end of the year is ₹1960.02 lacs (Previous year ₹2423.27 lacs).

	As at 31.03.2021 (₹ in lacs)	As at 31.03.2020 (₹ in lacs)
7 TRADE PAYABLES		
i. total outstanding dues of micro enterprises and small enterprises	25.40	31.40
ii. total outstanding dues of creditors other than micro enterprises and small enterprises.	2,801.75	4,581.25
Total	2,827.15	4,612.65

* Also refer point No.34 in Additional information to the financial statements

8 OTHER CURRENT LIABILITIES		
Current maturities of long-term loan	228.42	203.10
Current maturities of Finance lease obligations	-	0.03
Interest accrued but not due on borrowings	58.39	33.38
Interest accrued but not paid	8.45	28.20
Advance from Customers	74.59	73.64
Statutory and Other dues payable	33.45	8.10
Total	403.30	346.45

9 PROPERTY PLANT AND EQUIPMENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

(₹ in lacs)

	Description	Gross Block				Depreciation/Amortisation				Net Block		
		As at 01.04.2020	Addition	Adjustments	Deductions	As at 31.03.2021	As at 01.04.2020	For the Year	Adjustments	Deductions	As at 31.03.2021	As at 31.03.2020
A	TANGIBLE ASSETS											
	Land	122.75	-	-	-	122.75	-	-	-	-	122.75	122.75
	Building	1,927.85	-	-	-	1,927.85	906.67	59.43	-	-	966.10	961.75
	Plant and Equipment	9,064.50	40.44	-	3.55	9,101.39	5,124.87	340.73	-	3.17	5,462.43	3,638.96
	Office Equipments	100.43	-	-	-	100.43	92.78	4.93	-	-	97.71	2.72
	Furniture and Fixtures	56.18	0.76	-	-	56.94	55.78	0.53	-	-	56.31	0.63
	Vehicles	113.65	-	9.79	-	123.44	95.54	5.54	8.61	-	109.69	13.75
	Total A	11,385.36	41.20	9.79	3.55	11,432.80	6,275.64	411.16	8.61	3.17	6,692.24	4,740.56
	Previous year end (i)	11,332.42	54.22	-	1.28	11,385.36	5,864.66	411.80	-	0.82	6,275.64	5,109.72
B	Assets taken on Finance Lease:											
	Vehicles	9.79	-	(9.79)	-	-	8.61	-	(8.61)	-	-	1.18
	Total B	9.79	-	(9.79)	-	-	8.61	-	(8.61)	-	-	1.18
	Previous year end (ii)	9.79	-	-	-	9.79	3.16	5.45	-	-	8.61	1.18
	Total A + B	11,395.15	41.20	-	3.55	11,432.80	6,284.25	411.16	-	3.17	6,692.24	4,740.56
	Previous year end (i) + (ii)	11,342.21	54.22	-	1.28	11,395.15	5,867.82	417.25	-	0.82	6,284.25	5,110.90
C	INTANGIBLE ASSETS											
	Computer Software	104.10	-	-	-	104.10	81.71	10.24	-	-	91.95	22.39
	Total C	104.10	-	-	-	104.10	81.71	10.24	-	-	91.95	22.39
	Previous year end (iii)	104.10	-	-	-	104.10	70.94	10.77	-	-	81.71	22.39
	Total A+B+C	11,499.25	41.20	-	3.55	11,536.90	6,365.96	421.40	-	3.17	6,784.19	5,133.29
	Previous year end (i) to (iii)	11,446.31	54.22	-	1.28	11,499.25	5,938.76	428.02	-	0.82	6,365.96	5,133.29
	Capital Work -in Progress											37.30
	Previous year end											-

As at
31.03.2021
(₹ in lacs)

As at
31.03.2020
(₹ in lacs)

10 NON CURRENT INVESTMENTS

LONG TERM INVESTMENTS - At cost

In Equity instruments - Non -Trade (unquoted)

475619 Equity shares(Previous Year 475619) of ₹10 each in M/s Gamma Green Power (P) Ltd 47.56 47.56

79000 Equity shares(Previous Year 72400) of ₹10 each in M/s OPG Power Generation (P) Ltd 9.09 8.33

In Government Securities

Non-Trade (unquoted) - -

National Savings Certificates (Lodged with statutory authorities) 0.36 0.36

Total 57.01 56.25

11 LONG TERM LOANS AND ADVANCES

Unsecured, considered good

Income Tax (Net of Provision) 61.05 83.87

Minimum Alternate Tax Credit entitlement 529.11 529.11

Total 590.16 612.98

12 INVENTORIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	As at 31.03.2021 (₹ in lacs)	As at 31.03.2020 (₹ in lacs)
Stores, Spares and Packing Materials	16.45	17.86
Stock In Trade		
Raw Materials	1,008.15	1,909.74
Goods-in-Process	247.07	404.16
Finished Goods	613.43	732.05
Waste Stock	17.93	15.07
Total	1,903.03	3,078.88
 13 TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding exceeding six months from the due date	15.77	14.27
Outstanding less than six months from the due date	1,232.90	2,114.04
Total	1,248.67	2,128.31
 14 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash in Hand		
Balances with Scheduled Banks in Current Accounts	0.27	1.27
Other bank balances		
Margin Money and other lien Deposits	323.57	158.16
Total	234.07	492.35
 15 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Security Deposits	39.22	126.15
Prepaid Expenses	96.97	50.94
TUF Subsidy Receivable	-	53.76
Other Advances	2.16	27.71
Balances with Statutory Authorities	222.40	192.62
Total	360.75	451.18
 16 OTHER CURRENT ASSETS		
Interest Accrued on Deposits	9.47	9.99
Export Incentives	20.08	33.69
Claim Receivable	439.45	439.45
Total	469.00	483.13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	Year ended 31.03.2021 (₹ in lacs)	Year ended 31.03.2020 (₹ in lacs)
17 REVENUE FROM OPERATIONS		
(A) Sale of Products (Net of Tax)		
Finished Goods :		
Exports	7,442.34	4,206.87
Local	5,645.05	6,911.85
Traded Goods :		
Exports	1,377.69	711.46
Local	-	-
Waste Sales :		
Exports	-	42.67
Local	568.23	781.33
Net Sales	15,033.31	12,654.18
 (B) Other Operating Revenues		
Export Incentives	171.51	103.25
Job Work Charges	47.87	254.75
	219.38	358.00
Total (A) + (B)	15,252.69	13,012.18
 18 OTHER INCOME		
a Interest Income	31.78	34.66
b Sale of Scrap	4.11	9.78
c Interest on Income Tax Refund	0.96	6.80
TOTAL	36.85	51.24
 19 COST OF RAW MATERIALS CONSUMED		
a Raw materials Consumed		
Opening Inventory	1,909.74	2,750.21
Add: Purchases during the Year	8,583.57	10,006.40
Less: Sale of Cotton	549.41	3,539.75
Less: Closing Stock	1,008.15	1,909.74
Sub Total	8,935.75	7,307.12
b Packing Material Consumed		
Opening Inventory	12.32	10.36
Add: Purchases during the Year	153.82	167.87
Less: Closing Stock	16.12	12.32
Sub Total	150.02	165.91
TOTAL (A) + (B)	9,085.77	7,473.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	Year ended 31.03.2021 (₹ in lacs)	Year ended 31.03.2020 (₹ in lacs)
20 CHANGES IN INVENTORY OF FINISHED GOODS AND GOODS IN PROCESS AND WASTE		
a Stock at the beginning of the year:		
Finished Goods	732.05	1,088.56
Goods-in-process	404.16	449.04
Waste	15.07	13.30
Sub Total	1,151.28	1,550.90
b Less : Stock at the end of the year:		
Finished Goods	613.43	732.05
Goods-in-process	247.07	404.16
Waste	17.93	15.07
Sub Total	878.43	1,151.28
(Increase)/Decrease in Stocks (a-b)	272.85	399.62
21 EMPLOYEES BENEFITS EXPENSE		
a Salaries, Wages and Bonus	908.34	1,125.08
b Contribution to Provident and Other Funds	45.57	47.90
c Welfare Expenses	112.05	145.56
TOTAL	1,065.96	1,318.54
22 FINANCE COSTS		
a Interest Expenses	641.66	663.46
b Other Borrowing Costs	156.71	151.50
Total	798.37	814.96
23 OTHER EXPENSES		
Power and Fuel	1,256.14	1,576.43
Repairs & Maintenance Building	1.48	1.12
Repairs & Maintenance Plant and Equipments	125.89	322.85
Consumption - Stores and Spares	11.25	27.02
Processing Charges	594.13	356.26
Rent	20.23	23.16
Insurance	55.36	49.52
Rates and Taxes	26.56	26.92
Commission and Brokerage	166.05	166.05
Other Selling expenses	303.87	295.62
Payment to Auditors	-	-
Audit Fee	1.00	1.00
(Profit)/Loss on Sale/Discard of Fixed Assets	0.18	0.44
Net loss on foreign currency transaction and translation	(45.46)	119.19
Miscellaneous Expenses	185.93	268.25
TOTAL	2,702.61	3,233.83

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

24 EARNING PER SHARE

	31.03.2021	31.03.2020
	(₹ in lacs)	(₹ in lacs)
Net profit /(Loss) as per statement of profit and loss	(241.39)	(1,158.47)
Weighted average no of Eqity Shares (Face value of ₹10 each)	45,02,310	45,02,310
Basic and diluted Earning Per Share ₹	(5.36)	(25.73)

25 EMPLOYEE BENEFITS

Particulars		Gratuity (Funded) 2020-21 (₹ in lacs)	Gratuity (Funded) 2019-20 (₹ in lacs)
(a) Expense recognised during the year			
1	Current Service Cost	9.53	9.13
2	Interest cost	9.13	8.25
3	Expected return on plan assets	(9.01)	(8.38)
4	Actuarial Loss/(Gain) during the year	(47.46)	6.54
5	Expenses recognised in Profit & Loss account	(37.80)	15.54
(b) Actual return on Plan assets			
1	Expected return on plan assets	9.01	8.38
2	Actuarial Gain/(Loss) on Plan assets	-	-
3	Actual return on plan assets	9.01	8.38
(c) Net Asset/(Liability) recognised in the Balance Sheet			
1	Present value of the obligation at the year end	93.41	125.95
2	Fair Value of plan assets at the year end	132.25	126.87
3	Funded status - surplus/(deficit)	49.59	0.92
4	Unrecognised past service cost	-	-
5	Net Asset/(Liability) recognised in the Balance Sheet	49.59	0.92
(d) Change in Present value of the Obligation during the year			
1	Present value of the obligation as at the beginning of year	125.95	123.64
2	Current service cost	9.53	9.13
3	Interest cost	9.13	8.25
4	Benefits paid	(3.74)	(8.03)
5	Actuarial loss/(gain) on obligation	(47.46)	(6.54)
6	Present value of obligation at the year end	93.41	126.45
(e) Change in Assets during the year			
1	Fair Value of plan assets at the beginning of the year	126.87	126.52
2	Expected return on plan assets	9.01	8.38
3	Contributions made	0.11	-
4	Benefits paid	(3.74)	(8.03)
5	Actuarial Loss/(gain) on plan assets	-	-
6	Fair value of plan assets at the year end	132.25	126.87
(f) Actuarial Assumptions			
1	Discount rate	7.00%	7.23%
2	Salary escalation	3.00%	3.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

26 RELATED PARTY DISCLOSURE

Disclosure in respect of Related Parties pursuant to Accounting Standard -18

(a) List of Related Parties (As identified by the Management)

Related parties with whom company entered in to transactions during the year

i Associates:

- 1 GTN Textiles Limited
- 2 Patspin India Limited

ii Key Management Personnel:

- 1 Shri Ankur Patodia - Managing Director

iii Enterprises/Entities having "Common Key Management Personnel":

- 1 Umang Finance Pvt Limited
- 2 Beekaypee Credit Pvt Ltd
- 3 Patodia Exports and investments Pvt Limited

iv Relatives of Key Management Personnel:

- 1 Sri. B. K. Patodia Father of Sri Ankur Patodia
- 2 Smt.Swati Patodia-Wife of Sri Ankur patodia
- 3 Smt. Mala Patodia-Sister in law of Sri Ankur Patodia

(b) During the year following transactions were carried out with related parties in the ordinary course of business and at arms length:

Nature of Transactions / Balances	Associates		Key Management Personnel		Enterprises/Relatives of Key management Personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
Sales of Goods	1,150.56	4,053.68				
Purchase of Goods and Services	2,561.52	1,961.83				
Purchase of Property, plant and equipment	-	-				
Rendering Services	63.39	270.61				
Receiving Services	396.53	59.17	9.00	9.00		
Remuneration paid			21.98	42.10	6.09	8.36
Sitting Fees					0.16	0.16
Interest Paid					6.68	6.19
Deposits					50.50	50.50
Balances as at year end:						
Amount (Receivable)/ Payable	99.46	1127.32				
Guarantee Received	-	-				
Guarantee Provided for	1700.00	1700.00				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

(c) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

		Transactions	
		2020-21	2019-20
		₹ in lacs	₹ in lacs
(i) Sale of goods			
a) Cotton			
i) GTN Textiles Limited	54.70	1,742.70	
ii) Patspin India Limited	512.19	1,823.78	
b) Cotton Yarn			
i) GTN Textiles Limited	319.40	376.30	
ii) Patspin India Limited	264.13	103.93	
c) Store Items			
i) GTN Textiles Limited	-	-	
ii) Patspin India Limited	0.14	0.49	
d) Packing Material			
i) GTN Textiles Limited	-	6.48	
ii) Patspin India Limited	-	-	
(ii) Purchase of goods			
a) Cotton			
i) GTN Textiles Limited	1,125.37	285.50	
ii) Patspin India Limited	85.12	1,086.32	
b) Cotton Yarn			
i) GTN Textiles Limited	678.10	295.33	
ii) Patspin India Limited	667.28	294.40	
(iii) Purchase of waste			
i) Patspin India Limited	4.08	-	
(iv) Purchase of Packing Material			
i) Patspin India Limited	0.20	0.27	
ii) GTN Textiles Limited	-	-	
(v) Purchase of Machinery			
i) Patspin India Limited	-	0.00	
(vi) Store items			
i) GTN Textiles Limited	1.37	0.01	
ii) Patspin India Limited	-	-	
(vii) Rendering of services			
a) Processing Charges			
i) GTN Textiles Limited	35.11	187.98	
ii) Patspin India Limited	28.28	82.63	
(viii) Receiving of services			
a) Rent			
i) GTN Textiles Limited	0.90	1.20	
ii) Patspin India Limited	1.08	1.08	
iii) Smt. Mala Patodia	9.00	9.00	
b) Processing Charges			
i) GTN Textiles Limited	63.23	-	
ii) Patspin India Limited	331.32	56.89	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

		Transactions	
		2020-21	2019-20
		₹ in lacs	₹ in lacs
(ix)	Remuneration paid		
	Sri. Ankur Patodia (Managing Director)	21.98	42.10
	Smt. Mala Patodia	4.01	4.18
	Smt. Swati Patodia	2.09	4.18
(x)	Sitting Fees		
	Sri. B. K. Patodia	0.16	0.16
(xi)	Fixed Deposit		
	1) Umang Finance Pvt Limited	19.60	19.60
	2) Patodia Exports and investments Pvt Limited	14.50	14.50
	3) Beekaypee Credit Pvt Limited	16.40	16.40
(xii)	Interest On Fixed Deposit		
	1) Umang Finance Pvt Limited	2.62	2.51
	2) Patodia Exports and investments Pvt Limited	1.89	1.67
	3) Beekaypee Credit Pvt Limited	2.17	2.02

Notes:

- i) The related parties have been identified by the Management and relied upon by the auditors.
 - ii) No amount has been provided for / written back, pertaining to related parties.
- 27 a)** In the opinion of the Management, assets other than property, plant and equipment and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- b) The accounts of Trade receivables, Trade Payables, Loans and Advances and Banks are however, subject to formal confirmations / reconciliation and consequent adjustments, if any. The management does not expect any material difference affecting the current period's financial statements on such reconciliation / adjustments.
- 28** In term of Accounting Standard -17, the company operates materially only in one business segment viz., Textile industry and have its production facilities and all other assets located within India. Sales to external customers comprise outside India sales of ₹8820.04 Lacs (Previous year ₹4961.01 lacs) and within India sale of ₹6213.29 lacs (Previous year ₹7693.17 Lacs)
- 29 Lease :Disclosure as required in AS-19.**

a. Financial lease

Due	As at 31.03.2021			As at 31.03.2020		
	Total Minimum Payments outstanding (₹ in Lacs)	Future interest on outstanding (₹ in Lacs)	Present Value of minimum payments (₹ in Lacs)	Total Minimum Payments outstanding (₹ in Lacs)	Future interest on outstanding (₹ in Lacs)	Present Value of minimum payments (₹ in Lacs)
1. Due Within one year	-	-	-	0.03	-	0.03
2. Between one year to five years	-	-	-	-	-	-
Total	-	-	-	0.03	-	0.03

b. Operational lease:

The lease expenses for cancellable operating leases during the year ended 31st March, 2021 is ₹20.23 lacs (Previous year ₹23.16 lacs). The Company's significant leasing arrangements in respect of operating leases for office premises, which includes cancellable leases generally range between 11 months to 60 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under note 24 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

31 CONTINGENT LIABILITY AND COMMITMENTS:

A COMMITMENTS

- 1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Nil (Previous year ₹Nil).
2. Outstanding Export Forward Contracts (not in the nature of derivatives) as on 31 st March '21 which were entered into for hedging exchange risk arising from foreign currency fluctuations related to highly probable future transactions amount to US\$ 46.30 lacs (Previous Year US\$ 2.63 lacs) at average Exchange Rate of ₹74.09 /US\$ (Previous year 72.31/US\$) and Euro 8.73 lac (Previous year 2.80 Lakh) at average exchange rate ₹90.29 /Euro (Previous year ₹83.35 /Euro). The period covered under these contracts spreads over April 2021 to December 2021 (Previous Year April 2020 to August 2020). The average Exchange Rate applicable for the above period based on exchange rate on 31.03.2021 works out to ₹74.59 /US\$ and ₹87.51/Euro (Previous year ₹75.96/US\$ Euro ₹83.61), resulting in notional gain of ₹1.19 lacs (Previous year notional loss of ₹10.36 lacs)
3. Outstanding Import Forward Contracts (not in the nature of derivatives) as on 31st March '21 which were entered into for hedging exchange risk arising from foreign currency fluctuations related to highly probable future transactions amounting to US\$ 11.44 lacs(Previous year US\$ Nil lacs) at average exchange rate of ₹73.49 /US\$ (Previous year Nil).The period covered under these contracts spreads over April 2021 to May 2021 . The average Exchange Rate applicable for the above period based on exchange rate on 31.03.2021 works out to ₹73.94 /US\$, resulting in notional gain of ₹5.09 lacs (Previous year Nil lacs)

B CONTINGENT LIABILITIES

- 1 Contingent Liabilities not provided in respect of :
Disputed amounts of Taxes and duties and other claims not acknowledged as debts:
 - a) Market committee cess ₹ 1.13 lacs (Previous year ₹ 1.13 lacs) and amount deposited against litigation ₹0.27 Lacs
 - b) TANGEDCO has been charging electricity tax @ 5% on Demand Charge through their bills. This was challenged by a consumer in Hon'ble Supreme Court and SC has accepted the appeal on records. Liability towards the same ₹36.46 Lacs (Previous Year ₹30.42 lacs)
 - c) TANGEDCO has denied deemed demand benefit available for use of self generated thermal power received through group captive arrangement.This was challenged in Hon'ble Chennai High Court and the Hon'ble Hight court has given injunction with a condition to TANGEDCO to Charge only 50% till the matter is decided.Liability towards the same was ₹121.45 lacs .(Previous year ₹98.62 lacs)
 - d) Sales Tax Department denied tax credit in respect of sales return for the F.Y. 2013-14, Deputy Commissioner Appeals, Commercial Taxes, Palakkad directed to pay ₹ 0.86 lacs as tax there on and an amount of ₹ 0.17 lacs has been deposited aganist the same. Company filed appeal and stay petition on 28.03.17 and hearing completed on 28.06.2018 and order awaited.
 - e) During the assessment year 2007-08, there was dispute regarding depreciation claimed on Wind Turbine and the matter is pending before the Commissioner of Income Tax (Appeal) .However the demand pending there aganist is ₹Nil and the company is hopeful of outcome in its favour.
 - f) An amount of ₹439.45 lacs receivable from a party is in dispute, and the matter is before the Hon Judicial First class magistrate (NI Act) ,Ernakulam for further proceedings.
- 2 The company has given Corporate Guarantee amounting to ₹1700 lacs (Previous year ₹ 1700 lacs) to a Financial Institution in respect of financial assistance provided by them to Patspin India Ltd and the outstanding amount thereof is ₹633.87 lacs as on 31st March 2021 (Previous Year – ₹ 607.13 lacs).

31 Particulars of un hedged Foreign Currency exposures as at 31 st March 2021 are as given below:

Particulars	Currency	As at 31.03.2021			As at 31.03.2020		
		Amount in Lacs	Exchange Rate ₹	Amount (₹ in lacs)	Amount in lacs	Exchange Rate ₹	Amount (₹ in lacs)
Accounts payable	USD	40.54	73.53	,2980.82	20.22	75.69	1,530.10

32 Net Loss/Gain on Foreign currency transaction and translation

The amount of net gain on foreign currency transaction and translation included in the other expenses amounts to ₹ 45.46 lacs (Previous year ₹51.68 lacs Loss). This includes gain on account of export ₹29.74 lacs (Previous year ₹ 59.94 lacs gain). Gain on account of Import ₹15.72 lacs (Previous year ₹ 111.62 lacs loss).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

33 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AND DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES ACT ,2006

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	₹ in lacs	₹ in lacs
The principal amount due thereon remaining unpaid as on the Balance sheet date	25.40	31.40
Interest paid along with the amount of the payment during the year	₹.Nil	₹.Nil
Interest due and payable but without adding the interest specified in the above mentioned act.	₹.Nil	₹.Nil
Interest accrued and remaining unpaid at the end of the year.	₹.Nil	₹.Nil
Amount of interest remaining due and payable in subsequent years, and such interest actually paid to and deductible expenditure under section 23 of the said act.	Nil	Nil

34 VALUE OF IMPORTS ON CIF BASIS

Particulars	Year	Year
	2020-21	2019-20
	(₹ in lacs)	(₹ in lacs)
(a) Raw Materials - Cotton	2,587.03	4,906.31
(b) Stores	-	26.58
Total	2,587.03	4,932.89

35 EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year	Year
	2020-21	2019-20
	(₹ in lacs)	(₹ in lacs)
Agents Commission	102.11	105.91
Others	6.35	19.45
Total	108.46	125.36

36 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	Year	Percentage	Year	Percentage
	2020-21		2019-20	
	(₹ in lacs)		(₹ in lacs)	
(a) Raw Materials				
Cotton Imported	3,332.63	37.3%	5,000.57	68.4%
Cotton Indigenous	2,469.89	27.6%	2,161.11	29.6%
Yarn Indigenous	3,133.23	35.1%	145.44	2.0%
	8,935.75	100%	7,307.12	100%
(b) Traded Goods (Yarn -Indigenous)	1,258.08		673.24	
(c) Packing Materilas (Indigenous)	150.02		165.91	
(d) Stores and Spares				
Imported	9.26		23.20	
Indigenous	9.32		42.21	
	18.58		65.41	
Total	10,362.43		8211.68	

*Note Includes HSD Value of ₹7.32 lacs (Previous year ₹38.39 lacs) Charged to Power & Fuel

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

37 EARNINGS IN FOREIGN CURRENCY

Particulars	Year	Year
	2020-21	2019-20
	(₹ in lacs)	(₹ in lacs)
FOB Value of Exports (₹ in lacs)	8,696.10	4,905.04

38 Estimation of uncertainty relating to COVID-19 pandemic

Towards the end of the Financial Year 2019-20, the operations of the company were stopped due to the nationwide lockdown imposed by Government to contain the COVID 19 pandemic. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results, to determine the impact on the Company's revenue from operations for foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories and trade receivables. Based on such assessment, management is confident that no indications of impairment of carrying values of property, plant and equipment and investments exist as on the date of approval of these financial statements. The impact of COVID-19 pandemic on the overall economic environment remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

39 PREVIOUS YEAR'S FIGURES

The Company has reclassified/regrouped previous year's figures to conform to this year's classification.

Signature to Note 1 to 39

As per our report of even date attached

For and on behalf of the Board

For **RAGHU AND RAM**

Chartered Accountants (FIRM REG NO:003340S)

T RAGHUNATHAN

Proprietor
(M. NO.019425)

Place : Coimbatore
Date : 23rd June 2021

B. K. PATODIA

Chairman
DIN No. 00003516

Place : Kochi
Date : 23rd June 2021

ANKUR PATODIA

Managing Director
DIN No. 00003567

Place : Mumbai
Date : 23rd June 2021



Registered Office: Erumathala P O., Aluva, Ernakulam 683 112
Corporate Office: 43, Mittal Chambers, 4th Floor., 228, Nariman Point, Mumbai 400 021.

An ISO 9001: 2015 / ISO 14001: 2015 Certified Company
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