



FORTY SECOND  
**ANNUAL REPORT**  
2022 - 2023

**Board of Directors**

Shri. P.C. Seksaria	Independent Director
Shri. P.N.Sukumaran Nair	Independent Director
Shri. B K Patodia	Non Executive Director (up to 19.5.2023)
Shri. B.L. Singhal	Independent Director (up to 19.5.2023)
Shri. V.N.Balakrishnan	Independent Director (up to 19.5.2023)
Shri. Umang Patodia	Non Executive Director (up to 19.5.2023)
Shri. Ankur Patodia	Managing Director

**BANKERS**

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

**Auditors (Statutory)** Shri. R Mugunthan, FCA  
Chartered Accountants  
Chennai

**Auditors (Internal)** Shri. V.C. Tirupathi, FCA  
Chartered Accountants  
Coimbatore

**Registered Office** Erumathala P.O.  
Aluva, Ernakulam 683112

**Corporate Office** 5th Floor, Palal Towers,  
MG Road, Ravipuram  
Ernakulam 682016

**Corporate ID No (CIN)** U67120KL1981PLC013244

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# GTN ENTERPRISES LIMITED

## NOTICE

**NOTICE** is hereby given that the **Forty Second (42<sup>nd</sup>)** Annual General Meeting of **GTN ENTERPRISES LIMITED** will be held at the Registered Office of the Company at Erumathala Post, Aluva – 683 112 on Friday 22<sup>nd</sup> September 2023 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, 2023, 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 provisions of Sections 12 and 13 of the Companies Act, 2013 read with Rule 30 of the Companies (Incorporation) Rules, 2014 and other applicable provisions of Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) if any, and subject to approval of the Ministry of Corporate Affairs, the Registrar of Companies, Kerala approval of the Members of the Company be and is hereby accorded for shifting of the registered office of the Company outside local limits of city, town or village, within the same Registrar of Companies (ROC) and State from Erumathala Post, Aluva, Ernakulam - 683105 to 5<sup>th</sup> Floor, Palal Towers, MG Road, Ravipuram, Ernakulam, Kochi- 682016 which is under the jurisdiction of Ernakulam Town South Police Station.”

**“RESOLVED FURTHER THAT** Shri Ankur Patodia Managing Director (DIN:00003567) or Shri Sukumaran Nair, Director (DIN: 00005237) be and is hereby individually authorized on behalf of the Company to make any modifications, variations or alterations stipulated by any authority, while according approval, consent as may be considered necessary and to file applications, issue notices, advertisements, obtain orders for shifting of Registered Office from the authorities concerned and to do all such acts, deeds and things as may be deemed necessary and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed

thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) between the Company and M/s. Patspin India Limited on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

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

**“RESOLVED THAT** pursuant to the provisions of Section

## NOTICE (Contd...)

2(76), Section 188 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) between the Company and M/s. GTN Textiles Limited on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

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

## Resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to the Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise) between the Company and Smt Mala Patodia on such terms and conditions as may be mutually agreed between the Company and the above related party, as mentioned in detail in the Explanatory Statement annexed herewith, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect."

## NOTICE (Contd...)

### 6 Approval of Cost Auditors remuneration

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, 2024, be paid a remuneration of Rs. 70,000 (Rupees Seventy Thousand Only) plus reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit, be and is hereby ratified.

### 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
- All 100% shareholders have given their consent dated 8.9.2023 for calling Annual General Meeting at a shorter notice on 22.9.2023

BY ORDER OF THE BOARD  
FOR GTN ENTERPRISES LIMITED

Place : Mumbai  
Date : 11.9.2023

**ANKUR PATODIA**  
Managing Director  
(DIN 00003567)

## NOTICE (Contd...)

### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No 2

The Registered Office of the Company is presently situated at Erumathala Post, Aluva, Ernakulam – 683105 on the premises of M/s GTN Textiles Ltd (GTN), our Group Company.

Since GTN is in the process of sale of said premises, it is proposed to shift the Registered Office of the Company to 5<sup>th</sup> Floor, Palal Towers, MG Road, Ravipuram, Ernakulam, Kochi- 682016 which is outside the local limits of city or town but within the same Registrar of Companies (ROC) and State which is under the jurisdiction of Ernakulam Town South Police Station. As per Provisions of Sections 12 and 13 of the Companies Act, 2013 read with Rule 27 of Chapter II, The Companies (Incorporation) Rules, 2014, shifting of Registered Office of Company outside the local limits of any city or town, requires approval of the members by way of a Special Resolution.

The Board of Directors of the Company in its meeting held on 11.9.2023 has approved and recommended the said proposal to the members at the ensuing Annual General Meeting for their approval.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 2 of the accompanying Notice.

The Board recommends the Special Resolution set out at Item No. 2 of the Notice for approval by the members.

#### Item No. 3 to 5

Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended, prescribe certain procedure for approval of related party transactions. Proviso to Section 188 provides that nothing contained in sub-section (l) of Section 188 applies where transactions are entered into by the company in the ordinary course of conduct of business other than transactions which are not on an arm's length basis.

Both M/s Patspin India Limited and M/s GTN Textiles Limited are Group companies hence the proposed transactions are deemed to be a related party transaction. Besides, Company has occupied a portion of Patodia House owned by Smt Mala Patodia for Managing Director's stay as well as office purposes in Ernakulam, Kochi. Hence, the proposed transaction is deemed to be a related party transaction. Since our company is an unlisted company, provisions of Section 188 shall only apply to the extent stated above. No approval from shareholders is required pursuant to the provisions of Section 188 of the Companies Act 2013, since the transactions are in the ordinary course of business and at arm's length.

However, as an abundant caution, your Directors seek your approval.

The following proposed transaction is for the approval of Shareholders of the Company by passing an ordinary resolution:

Name of Related party	Relationship	Estimated value of transaction (Rs. In lakhs)	Nature of the transaction (s)	Terms of the contract / or agreement
Patspin India Limited	• Shri. B.K.Patodia, Shri. Umang Patodia and Shri. Ankur Patodia are Promoters.	3000	Sale, Purchase or supply of cotton and cotton yarn / waste	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 42 <sup>nd</sup> AGM to the conclusion 43 <sup>rd</sup> of the AGM.  Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arms length basis.
	• Shri. B.K.Patodia and Shri. Umang Patodia are not Directors, However Shri. Ankur Patodia is the Managing Director of GTN Enterprises Limited	500	Selling or otherwise disposing off, or buying, property and other assets of any kind	
	• Shri. Ankur Patodia is the son of Shri. B. K. Patodia and brother of Shri Umang Patodia	2500	Availing or rendering of processing charges or any other transaction of whatever nature	

Name of Related party	Relationship	Estimated value of transaction (Rs. In lakhs)	Nature of the transaction (s)	Terms of the contract / or agreement
GTN Textiles Limited	• Shri. B.K.Patodia, Shri. Umang Patodia and Shri. Ankur Patodia are Promoters. • Shri. B.K.Patodia and Shri. Umang Patodia are not Directors, However Shri. Ankur Patodia is the	1000	Sale, Purchase or supply of cotton and cotton yarn /waste	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 42 <sup>nd</sup> AGM to the conclusion 43 <sup>rd</sup> of the AGM



## NOTICE (Contd...)

Name of Related party	Relationship	Estimated value of transaction (Rs. In lakhs)	Nature of the transaction (s)	Terms of the contract / or agreement
	Managing Director of GTN Enterprises Limited • Shri. Ankur Patodia is the son of Shri. B. K. Patodia and brother of Shri Umang Patodia			Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arms length basis.

Name of Related party	Relationship	Estimated value of transaction (Rs. In lakhs)	Nature of the transaction (s)	Material Terms of the contract / or agreement
Smt Mala Patodia	Wife of Shri. Umang Patodia who is the brother of Shri. Ankur Patodia, Managing Director	10	Rent	The proposed approval is for a maximum period of 15 months between two Annual General Meetings (AGM), being conclusion of the 42 <sup>nd</sup> AGM to the conclusion 43 <sup>rd</sup> of the AGM.  Further, the proposed transaction entered into by the company shall be in the ordinary course of business and at arms length basis.

The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto, and the Company's Related Party Transaction Policy are furnished hereunder:

Name of the Related Party	Patspin India Limited / GTN Textiles Limited
Name of the Director or key managerial personnel who is related, if any	Shri. Ankur Patodia, Managing Director
Nature of Relationship	Shri. B.K.Patodia is the father of Shri. Ankur Patodia , Managing Director and Shri. Umang Patodia is the brother of Shri. Ankur Patodia
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
Any other information relevant or important for the members to take a decision on the proposed resolution	Patspin India Limited has successfully implemented a Resolution Plan pursuant to RBI Circular dated 7 <sup>th</sup> June 2019. There will be requirement to procure / sell the materials from the said related party in the normal course of business and at arms length.  GTN Textiles Limited is proposed to carry on trading activities of cotton and cotton yarn products and hence this proposal. The transaction with the said related party shall be in the normal course of business and at arms length

Name of the Related Parties	Smt Mala Patodia
Name of the Director or key managerial personnel who is related, if any	Shri. Ankur Patodia, Managing Director
Nature of Relationship	Smt. Mala Patodia is the wife of Shri. Umang Patodia who is the brother of Shri. Ankur Patodia, Managing Director
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above
The nature, material terms, monetary value and particulars of the contract or arrangement	As per table above

Any other information relevant or important for the members to take a decision on the proposed resolution

The company has hired a portion of house owned by Smt. Mala Patodia for Managing Director's stay in Kochi as well as for office purpose. The rent paid (2/3rd for Office and 1/3rd for residence is being very low compared to the market value. The rent paid (Rs. 75,000 per month) is being very low compared to the market value.

The above proposed arrangements / transactions were approved by the Audit Committee at their meeting held on 11.9.2023 and recommended by the Board of Directors at its meeting held on 11.9.2023 to the Shareholders of the Company for their approval.

Directors or their relatives as mentioned as related parties above may be deemed to be interested or concerned in the Resolution.

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

The above proposal is in the interest of the Company and the Board recommends the Ordinary Resolution as set out at Item No. 3 to 5 for approval by the members of the Company.

#### **Item No.6**

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 Rs. 70,000 (Rupees Seventy thousand only) plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the financial year 2023-24

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 6 of the notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2024.

None of the Directors and / or Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No 6

Your Directors recommend the resolution for approval.

BY ORDER OF THE BOARD  
FOR GTN ENTERPRISES LIMITED

Place : Mumbai  
Date : 11.9.2023

**ANKUR PATODIA**  
Managing Director  
(DIN 00003567)



# GTN ENTERPRISES LIMITED

## BOARD'S REPORT

To the Members,

Your Directors present the **FORTY SECOND (42<sup>nd</sup>)** Board's Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2023

### 1. FINANCIAL RESULTS

₹ in Crores

	FY 2022-23	FY 2021-22
Revenue from Operations & Other Income	344.09	280.82
EBITDA	26.63	35.20
Finance cost	8.60	6.18
Depreciation and Amortization expenses	3.92	4.18
Profit before Tax	14.11	24.84
Tax Expenses		
Current Tax -MAT	(4.83)	(4.34)
MAT credit/ Deferred tax credit/ (charge)- Net	0.50	(3.46)
Profit/(Loss) after Tax	9.78	17.04

### 2. FINANCIAL PERFORMANCE

The financial year 2021-22 was an exceptional year for the Textile and Clothing industry worldwide. Post subsiding of the Covid-19 pandemic, there was an unusual spurt in demand across the globe. Consequently, the Indian Textile Industry also got benefited out of this exceptional demand situation leading to exceptionally higher margins. However, in FY 2022-23, the demand position got stabilized to its pre-covid level. The FY 2022-23 also witnessed a global economic slowdown and a decline in global trade demand due to geopolitical situation, including long drawn Ukraine war and excess inventory. India's exports also significantly decreased during the year on account of frequent changes in the governmental policies and competition from neighboring nations in the area of low cost clothing, especially due to them having access to FTAs unlike India.

Despite the aforesaid, with focused approach and rationalization of cost of production your company could significantly improve (22% increase) its revenues for the financial year 2022-23 to Rs.344.09 Cr from Rs.280.82 Cr achieved in the previous financial year. However, as explained aforesaid, FY 2021-22 being an exceptional year with huge margins post subsiding of Covid-19 pandemic, the margin levels during the financial year 2022-23 were at normal levels. Accordingly, the company could achieve an EBITDA level of Rs.26.63 Cr against Rs.35.20 Cr achieved during the previous financial year. Finance cost was higher at Rs.8.60 Cr due to steep increase in the interest rates on the working capital facilities provided by company's bankers and full utilization of working capital limits for operations. Profit before tax was at Rs.14.11 Cr as against Rs.24.84 Cr in FY 2021-22. Post tax, profit after adjustments towards MAT credit & deferred tax for the year was at Rs.9.78 Cr against the net profit of Rs.17.04 Cr recorded in the previous financial year.

As per the recent CRISIL Report, after a lackluster year, the Indian Textile Industry revenue is set to increase by 7-9% in the current financial year due to domestic prices of raw material aligning vis-à-vis international levels, restocking by big-box retailers in the US, and sustained China+1 policy of global buyers. Operating profitability is envisaged to improve 150-200 basis points to 14.0-14.5%, due to lower raw material cost and better operating leverage. Credit profiles will also expected to continue to be stable, with the ongoing capital expenditure (Capex) cycle in its last leg this fiscal, and healthy cash accrual - driven by improved revenue growth and profitability – keeping leverage in check.

Expectations of a good festival season for retailers in the domestic market and a rebound in global demand from downstream industries is also expected to give a leg up to the Indian cotton industry which is trying to recover from the poor performance in FY23. People have spent much on travelling and personal care and this festival season is expected to witness a healthy demand for the textile sector, especially the retail business may see a very strong demand.

Company has also requested its working capital lenders to reduce the interest rate in view of significantly improved performance and Investment grade Rating (BBB-) awarded to the company. Company expects to sustain the improved performance levels in the current financial year also.

### 3. DIVIDEND

To conserve available resources, the Board regret their inability to recommend dividend for the financial year ended 31.3.2023.

## BOARD'S REPORT (Contd...)

### 4. DIRECTORS

During the year under review, there is no change in the composition of the Board of Directors and the Key Managerial Personnel.

However, at the Board Meeting held on 19.5.2023, Directors viz; Shri B K Patodia, Shri B L Singhal, Shri V N Balakrishnan and Shri Umang Patodia voluntarily resigned effective from the closure of the said Meeting for personal reasons.

The present composition of the Board of Directors is Shri Ankur Patodia, Managing Director, Shri P C Seksaria, Independent Director and Shri P N Sukumaran Nair, Independent Director.

### 5. NUMBER OF MEETINGS OF THE BOARD

Six (6) meetings of the Board of Directors were held during the Financial Year 2022-23

### 6. 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.

### 7. 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March 2023 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.

### 8. 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.

### 9. AUDITORS

Shri. R.Mugunthan, Practicing Chartered Accountant, Chennai (ICAI Registration No.021397) were appointed as the Statutory Auditors of the Company at the 41<sup>st</sup> AGM for a term of five consecutive years till the conclusion of the 46<sup>th</sup> AGM to be held on in the year 2027. The Auditors' Report on the financial statements for the year ended 31<sup>st</sup> March 2023 does not contain any reservation, qualification or adverse remark.

### 10. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Shri. MRL Narasimha (C.P No. 799), Practicing Company Secretary to undertake the Secretarial Audit of the Company.

Secretarial Audit Report issued by Shri. MRL Narasimha, Practicing Company Secretary in Form MR-3 forms part to this report as Annexure I. The said report does not contain any observation or qualification requiring explanation or adverse remark

### 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 Board of 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 cost accounts of the Company for the FY ending 31<sup>st</sup> March, 2024.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, necessary resolution is proposed for ratification for the remuneration payable to M/s. Hareesh K.N and Associates, Cost Auditors in the Notice convening the 42<sup>nd</sup> Annual General Meeting.

### 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 31<sup>st</sup> March 2023.

### 13. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, read with Rule 12 of

## BOARD'S REPORT (Contd...)

the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the company for the Financial Year 31<sup>st</sup> March 2023 is annexed hereto as Annexure II and forms part of this Report.

### 14. RELATED PARTY TRANSACTIONS

During the financial year 2022-23, all contracts / arrangements / transactions entered into by your Company with Related Parties were on an arm's length pricing basis and were in the ordinary course of business and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company and hence, disclosure in Form AOC 2 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 regularize transactions between the company and its related parties, in compliances with applicable provisions of the companies Act 2013 and the Rules thereunder.

### 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

M/s. Infomerics Analytics & Research (P) Limited have carried out credit rating of the company and vide their report dated 16.2.2023, company's External Credit Rating was improved to Investment grade (BBB-) for long term working capital facilities and IVR A3 for short term working capital facilities from the earlier level of BB+ for long term working capital facilities and IVR A4+ for short term working capital facilities.

### 17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has been, over the years, pursuing as part of its corporate philosophy as unwritten CSR policies, 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.

Based on PAT for FY 2021-22, your Board has constituted a CSR Committee to initiate Company's CSR Policy in accordance with Schedule VII of the Companies Act 2013 and has adopted a CSR Policy in compliance with the provisions of the Act.

Sec. 135 of the Companies Act, 2013 stipulates expenditure of 2% of the average net profit of preceding 3 financial years on CSR activities and as per the same, the Company has spent Rs.5.95 lakhs with

"Cankids KidsCan" – The National Society for Change for Childhood Cancer in India, registered as CSR Implementation Agency bearing registration number: CSR00000341 allotted by Ministry of Corporate Affairs (MCA). The Statutory disclosures with regard to CSR is annexed hereto forming part of this Report - Annexure III

### 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 / WHISTE 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](http://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 IV 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.

## **BOARD'S REPORT (Contd...)**

### **22. NOMINATION & REMUNERATION POLICY**

The Board of Directors has framed a policy which lays down a framework 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.

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

The Company has always provided a congenial atmosphere for work to all employees that are free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, color and sex. The Company has constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and also framed a Policy on "Prevention of Sexual Harassment" at the workplace.

The Company has not received any complaints under this policy during the year ended 31<sup>st</sup> March 2023.

### **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 deep appreciation for the co-operation and support extended by our Bankers, Stakeholders, Business Associates, Central and State Governments and District Level Authorities and look forward to their continued support in future.

We are also pleased to record our appreciation of the efficient and loyal services rendered by each and every employee and workman of the Company at all levels without whose whole-hearted efforts, the overall satisfactory performance would not have been possible.

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

Place: Mumbai  
Date: 11.9.2023

**P. C. SEKSARIA**  
Independent Director  
(DIN:00003611)

**ANKUR PATODIA**  
Managing Director  
(DIN:00003567)

## Annexure - I

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

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

To

The Members

#### GTN ENTERPRISES LIMITED

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **GTN ENTERPRISES LIMITED** (hereinafter called "the Company") **during the financial year from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023** ("the year"/ "audit period"/ "period under review"). I conducted the Secretarial Audit in a manner that provided me a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing my opinion thereon.

I am issuing this report based on my verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31<sup>st</sup> March 2023 but before the issue of this audit report and the information provided by the Company, its officers, agents and authorised representatives during my conduct of the Secretarial Audit.

#### 1. I hereby report that:

- 1.1. In my opinion, during the audit period covering the **financial year ended on 31<sup>st</sup> March 2023**, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The Members are requested to read this report along with my letter of even date annexed to this report as Annexure – A.
- 1.2. I have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions of :
  - (i) The Companies Act, 2013 (the Act), and the rules made thereunder.
  - (ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
  - (iii) The following laws, that are specifically applicable to the Company:
    - (a) Essential Commodities Act 1955, with reference to "Hank Yarn Packing Notification 2003" (No.2/TDRO/8/2003 dated 17<sup>th</sup> April, 2003); and
    - (b) The Electricity Act, 2003.
- 1.3 I have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India
- 1.4. During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March 2023 but before the issue of this report, the Company has, to the best of my knowledge and belief and based on the records, information and explanations furnished to me, complied with the applicable provisions / Clauses of the Acts, Rules, Regulations, Agreements, Guidelines and Standards mentioned under paragraphs 1.2 and 1.3 above.
- 1.5. I am informed that, during / in respect of the year:
  - (i) The following Acts / Regulations and Guidelines are **not applicable**:
    - a) Securities Contracts (Regulations) Act, 1956 and the Rules made thereunder.
    - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

## Annexure - I

- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) Due to non-occurrence of certain events, the Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
  - a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) There was no law, other than those specified in paragraph 1.2 (iii) above, that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws did not arise.

### 2. I further report that:

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- 2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent atleast seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:
  - (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
  - (ii) Additional subjects / information / presentations and supplementary notes.  
Consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.
- 2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters discussed during the year that were required to be captured and recorded as part of the minutes.

### 3. I further report that:

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 3.2 The Capital clause of Memorandum of Association has been altered by way of resolution passed at the Extra Ordinary General Meeting held on 15/03/2023.
- 3.3 The Board of Directors has allotted 4,00,000 Non Cumulative Redeemable Preference Shares (NCRPS) of Rs.100/- each to promoters on private placement basis on 31/03/2023, which was approved by the shareholders at the EGM held on 15/03/2023.

Other than the above, there were no instances of:

- Public / Rights / Preferential issue of Shares / Debentures / Sweat Equity.
- Major decision taken by the members pursuant to Section 180 of the Companies Act, 2013.
- Merger / Amalgamation / Reconstruction etc.
- Foreign technical collaborations

Place:- Coimbatore  
Date:- 11/09/2023

**M.R.L. Narasimha**  
Practicing Company Secretary  
Membership No: 2851  
Certificate of Practice 799  
Peer Review No:-1420/2021  
UDIN: F002851E000982577



## Annexure - I (Contd...)

### Annexure – A to Secretarial Audit Report of even date

The Members,

**GTN ENTERPRISES LIMITED,**

ALWAYE.

**My Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31<sup>st</sup> March 2023 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. My responsibility is to express an opinion on the secretarial records produced for my audit.
2. I have followed such audit practices and processes as I considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, I have also considered compliance related action taken by the Company after 31<sup>st</sup> March 2023 but before the issue of this report.
4. I have verified the secretarial records furnished to me on a test basis to see whether the correct facts are reflected therein. I also examined the compliance procedures followed by the Company on a test basis. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
5. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
6. I have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. My Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place:- Coimbatore

Date:- 11/09/2023

**M.R.L. Narasimha**

Practicing Company Secretary

Membership No: 2851

Certificate of Practice 799

Peer Review No:-1420/2021

UDIN: F002851E000982577



## Annexure - II

FORM NO. MGT.9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2023

[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
- v. Address of the Registered office and contact details:

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:**

CDSL VENTURES LIMITED, Marathon Furturex, 'A' Wing, 25th Floor, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E), Mumbai 400013

#### 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 1.04.2022]				No. of Shares held at the end of the year [As on 31.03.2023]				% 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

## Annexure - II (Contd...)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1.04.2022]				No. of Shares held at the end of the year [As on 31.03.2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
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
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 Rs. 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 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 (01.04.2022)			Share holding at the end of the year (31.03.2023)			% 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	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

## Annexure - II (Contd...)

SN	Shareholder's Name	Shareholding at the beginning of the year (01.04.2022)			Share holding at the end of the year (31.03.2023)			% 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	
11	Ankur Patodia	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

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

SN	Particulars	Shareholding at the beginning of the year (01.04.2022)		Cumulative Shareholding during the year (31.03.2023)	
		No. of shares	% of total shares of the Co.	No. of shares	% of total shares of the Co.
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 (01.04.2022)		Cumulative Shareholding during the year(31.03.2023)	
			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.Balakashnan	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

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

## Annexure - II (Contd...)

### 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	22,50,000	22,50,000
	(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)	22,50,000	22,50,000
	Ceiling as per the Act	60,00,000	60,00,000

### ii. Remuneration to other directors

(in ₹)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	<b>B.L Singhal</b>	<b>P.C Seksaria</b>	<b>P.N Sukumaran Nair</b>	<b>V.N. Balakrishnan</b>	
	Fee for attending board / committee meetings	24000	22000	22000	22000	<b>90000</b>
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors	<b>B.K Patodia</b>	<b>Umang Patodia</b>			
	Fee for attending board / committee meetings	16000	20000			<b>36000</b>
	Commission					
	Others, please specify					
	Total (2)					
	Total (B) = (1+2)					<b>126000</b>
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

### 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,630.64	1585.50	-	<b>4,216.14</b>
ii) Interest due but not paid	26.40	-	-	<b>26.40</b>
iii) Interest accrued but not due	0.00	77.75	-	<b>77.75</b>
<b>Total (i+ii+iii)</b>	<b>2,657.04</b>	<b>1,663.25</b>	-	<b>4,320.29</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	183.39		-	<b>183.39</b>
* Reduction	-	-778.26	-	<b>-778.26</b>
<b>Net Change</b>	<b>183.39</b>	<b>778.26</b>	-	<b>-594.87</b>

## Annexure - II (Contd...)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2822.30	760.00	-	<b>3582.30</b>
ii) Interest due but not paid	18.13	-	-	<b>18.13</b>
iii) Interest accrued but not due	0.00	124.99	-	<b>124.99</b>
<b>Total (i+ii+iii)</b>	<b>2840.43</b>	<b>884.99</b>	-	<b>3725.42</b>

### 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)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 11.9.2023

**P. C. SEKSARIA**  
Independent Director  
(DIN:00003611)

**ANKUR PATODIA**  
Managing Director  
(DIN:00003567)

## Annexure - III

### CSR Report 2022-23

#### a) Brief outline of CSR policy

The company has framed a CSR policy in compliance with the provisions of the Companies Act, 2013. The CSR Policy inter-alia covers the concept (CSR philosophy, activities undertaken by the group, scope and applicability, resources, identification and approval process, implementation and monitoring, etc.).

#### b) Composition of CSR Committee

The CSR Committee of the Board of Directors presently consists of 3 Directors namely Shri. P.N.Sukumaran Nair (Independent Director) Chairman, Shri. P.C.Seksaria, Independent Director and Shri. Ankur Patodia, Managing Director as members. The composition of the committee conforms to the statutory requirement.

#### c) Calculation of Average net profit of the company as per Section 135(5).

Particulars	Amount in Rs.
Net profit / (loss) for 2021-22	24,84,99,434
Net profit / (loss) for 2020-21	(3,15,49,062)
Net profit / (loss) for 2019-20	(12,77,80,221)
<b>A. Total Net profit / (loss) for 3 years</b>	<b>8,91,70,151</b>
<b>B. Average net profit of the company as per Sub-section (5) of Section 135</b>	<b>2,97,23,384</b>
<b>C. 2% of average net profit as per Sub-section (5) of Section 135</b>	<b>5,94,468</b>
<b>D. Surplus arising out of the CSR projects of previous financial year</b>	<b>Nil</b>
<b>E. Amount required to be set off for the financial year, if any</b>	<b>Nil</b>
<b>F. Total CSR Obligation for the financial year</b>	<b>5,94,468</b>

#### d) Details of CSR amount spent

Amt. in Rs.

a	Amount spent on CSR Activities	<b>5,95,000</b>
b	Actual amount to be spent for the FY 2022-23	<b>5,94,468</b>
c	Surplus amount spent during FY 2022-23	<b>532</b>
d	Details of unspent CSR amount for the preceding three financial years	<b>Nil</b>
e	Whether any capital assets have been created or acquired through CSR amount spent in the financial year	<b>Nil</b>

The meeting of Board of Directors held on 8.3.2023 had approved and spent Rs.5.95 lakhs with Cankids KidsCan – The National Society for Change for Childhood Cancer in India, set up in 2004 under the umbrella of Indian Cancer Society. Cankids is registered as an Independent National Society in 2012. Cankids envisions to enable global standards of survival for childhood cancer in India, provide holistic access to care to children with cancer and their families, and secure their Rights of the child with Cancer. Further, the said organization is registered as CSR Implementation Agency bearing registration number: CSR00000341 allotted by Ministry of Corporate Affairs (MCA), which is in line with the activities specified under Schedule VII of the Companies Act 2013.

This is to certify that the implementation and monitoring of CSR Policy is in compliance with the CSR Objectives as well as the Policy of the Company

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

Place: Mumbai  
Date: 11.9.2023

**P. C. SEKSARIA**  
Independent Director  
(DIN:00003611)

**ANKUR PATODIA**  
Managing Director  
(DIN:00003567)

## Annexure - IV

### 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
- GEL – B Carding Licker in waste suction converted to intermittent suction and stopped one no of 37 KW motor with a net energy saving of 207000 Units per Annum
  - We have provided nylon blended Aluminum fan for Humidification plant. Totally, we have provided 15 Nos of fans with a net energy saving of 241560 Units per Annum.
  - GEL – A Carding 11 Nos waste suction made continuously Using 2 Nos of Suction fan and stopped individual carding suction fans of 11 Nos with a net energy saving of 16920 units per Annum.
  - Total saving in the above three conservation efforts is 465480 units per Annum

##### (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 11 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.  
In GEL A Compact conversion done for 11 ring frames to upgrade yarn quality
- 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 absorbed
  - d) if not fully absorbed, areas where absorption 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 Rs 20010.36 Lakhs

The Foreign Exchange outgo during the year in terms of actual outflows Rs 8580.21 Lakhs

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

Place: Mumbai  
Date: 11.9.2023

**P. C. SEKSARIA**  
Independent Director  
(DIN:00003611)

**ANKUR PATODIA**  
Managing Director  
(DIN:00003567)



## INDEPENDENT AUDITOR'S REPORT

### To the Members of GTN Enterprises Limited

### Report on the audit of financial statements

#### Opinion

I have audited the financial statements of **GTN Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2023**, 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 my opinion and to the best of my information and according to the explanations given to me, 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, 2023**, the **Profit** and its cash flows for the year ended on that date.

#### Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 my auditor's report thereon.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I 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 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

My 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 my 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

## INDEPENDENT AUDITOR'S REPORT (Contd...)

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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, I am also responsible for expressing my 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. I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, I 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. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;
  - b. In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my 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 my 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, 2023** taken on record by the board of directors, none of the directors are disqualified as on **March 31, 2023** 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 my 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 my opinion and to the best of my information and according to the explanations given to me:
- i The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

## INDEPENDENT AUDITOR'S REPORT (Contd...)

- ii The Company does not have any long-term contracts including derivative contracts.
  - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  - iv
    - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused us to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material mis-statement.
  - v The company has not declared dividend or paid during the year and hence compliance with section 123 of the Companies Act, 2013 is not applicable for the year under review.
  - vi Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.
- 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 my opinion and to the best of my information and according to the explanations given to me, 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.

Place: Kochi  
Date : 04/07/2023

**R.Mugunthan**  
Chartered Accountant  
M.No.21397  
UDIN: 23021397BGTD RH4879

## INDEPENDENT AUDITOR'S REPORT (Contd...)

### Annexure - A to the Independent Auditors' Report

Referred to in paragraph (1) under report on Other Legal and Regulatory Requirements section of my report of even date to the members of the company on the financial statements for the year ended 31st March, 2023, I report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.  
(b) As explained to me, property, plant and equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noted on such verification.  
(c) The title deeds of immovable properties are held in the name of the Company.  
(d) During the year, the Company had not revalued any of its Property, plant and equipment and intangible assets.  
(e) According to the information and explanations given to me, there are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) As explained to me, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy of 10% or more in the aggregate for each class of inventory was noticed on physical verification of stocks by the management as compared to book records.  
(b) During the year, as per the records furnished before me the quarterly returns filed by the company with the bank are in agreement with the books of account of the company.
- (iii) According to the information and explanations given to me during the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability Partnerships or any other parties and hence the clause (iii) sub-clause (a) to (f) of the Order are not applicable to the company.
- (iv) In my 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 or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) I have broadly reviewed the books of account maintained by the company pursuant to sub-section (1) of Section 148 of the 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 my examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and service tax, provident fund, employees state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added 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 no dues which have not been deposited on account of dispute and the same being contested by the Company.
- (viii) The company does not have any transactions to be recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) During the year, Company has not defaulted in repayment of dues to lenders.  
(b) According to the information and explanation given to me and on the basis of my audit procedures, I report that the company has not been declared wilful defaulter by any bank or financial institutions or government or government authority.  
(c) During the year, there was no fresh term loans borrowed and hence the clause 3 (ix) (c) is not applicable for the year under review.  
(d) According to the information and explanation given to me and on an overall examination of the Balance sheet of the company, I report that no funds raised on short-term basis have been used for long-term purposes.  
(e) According to the information and explanations given to me and on an overall examination of financial statements of the company, I report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.  
(f) According to the information and explanations given to me and procedures performed by me, I report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).  
(b) The company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year under review.

## INDEPENDENT AUDITOR'S REPORT (Contd...)

- (xi) (a) According to the information and explanations given to me, no material fraud by the Company or on the Company has been noticed or reported during the course of my audit.
- (b) During the year and up to the date of this report, no report under section (12) of section 143 of the Companies Act in Form ADT – 4 as prescribed under rule 13 of companies (Audit and Auditors) Rules, 2014 with the central government
- (c) As represented to me by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In my 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 me and based on my examination of the records of the Company, all 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) (a) In my opinion and based on my examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) I have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to me, in my opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities and has not obtained any valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence clause (xvi) (c) and (d) not applicable for the year under review.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII of the Companies Act, 2013, in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has no unspent CSR amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of Section 135(6) of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.
- (xxi) This clause is not applicable to the company.

**R.Mugunthan**

Place: Kochi

Chartered Accountant

Date : 04/07/2023

M.No.21397

UDIN: 23021397BGDRH4879

## INDEPENDENT AUDITOR'S REPORT (Contd...)

### 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")

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

#### Opinion

I have audited the internal financial controls over financial reporting of GTN Enterprises Limited ("the Company") as on 31 March 2023 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

In my 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, 2023, 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").

#### Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my 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 I 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.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

## INDEPENDENT AUDITOR'S REPORT (Contd...)

### 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.

Place: Kochi

Date : 04/07/2023

**R.Mugunthan**

Chartered Accountant

M.No.21397

UDIN: 23021397BGTDRH4879



# GTN ENTERPRISES LIMITED

## BALANCE SHEET

	Note No.	As at 31.03.2023 (₹ in lacs)	As at 31.03.2022 (₹ in lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	850.23	450.23
(b) Reserves and surplus	3	4,857.63	3,879.82
<b>Sub-Total</b>		<b>5,707.86</b>	4,330.05
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	366.16	1,128.58
(b) Deferred tax liabilities (Net)	5	770.21	820.72
<b>Sub-Total</b>		<b>1,136.37</b>	1,949.30
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	3,216.14	3,087.56
(b) Trade payables	7		
(i) total outstanding dues of micro and small enterprises		52.42	30.03
(ii) total outstanding dues of creditors other than micro and small enterprises		2,836.30	2,708.17
(c) Other current liabilities	8	598.77	418.26
(d) Short-term provisions	9	173.76	201.29
<b>Sub-Total</b>		<b>6,877.39</b>	6,445.31
<b>TOTAL</b>		<b>13,721.62</b>	12,724.66
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and equipment and intangible assets	10		
(i) Property, plant and equipment		4,546.18	4,417.39
(ii) Intangible assets		3.51	12.04
(iii) Capital work-in-progress		-	1.26
(b) Non-current investments	11	63.92	54.03
(c) Long-term loans and advances	12	384.31	621.11
(d) Other non-current assets	13	288.04	53.51
<b>Sub-Total</b>		<b>5,285.96</b>	5,159.34
<b>2 Current assets</b>			
(a) Inventories	14	4,378.32	4,544.05
(b) Trade receivables	15	2,764.20	2,035.65
(c) Cash and Bank Balances	16	784.53	321.14
(d) Short-term loans and advances	17	427.35	623.52
(e) Other current assets	18	81.26	40.96
<b>Sub-Total</b>		<b>8,435.66</b>	7,565.32
<b>TOTAL</b>		<b>13,721.62</b>	12,724.66

Significant Accounting Policies

1

The accompanying Notes 1 to 42 are an integral part of the financial statements

As per my report of even date attached

For and on behalf of the Board of Directors

**R.MUGUNTHAN**  
Chartered Accountant  
M. No.021397

**P C SEKSARIA**  
Director  
DIN No 00003611

**ANKUR PATODIA**  
Managing Director  
DIN No. 00003567

Place : Kochi  
Date : 04.07.2023

Place : Mumbai  
Date : 04.07.2023

Place : Mumbai  
Date : 04.07.2023

# GTN ENTERPRISES LIMITED

## STATEMENT OF PROFIT AND LOSS

	Note No.	2022-2023 (₹ in lacs)	2021-2022 (₹ in lacs)
<b>REVENUE:</b>			
Revenue From Operations	19	34,393.20	28,059.53
Other income	20	15.37	22.64
<b>Total Income</b>		<b>34,408.57</b>	<b>28,082.17</b>
<b>EXPENSES:</b>			
Cost of materials consumed	21	23,095.92	17,578.96
Purchases of Stock-in-Trade		1,147.77	1,507.86
Changes in inventories of finished goods, Work-in-progress and Waste	22	354.73	(1,850.83)
Employee benefits Expense	23	1,588.92	1,625.87
Finance costs	24	859.90	617.65
Depreciation and amortization expense		392.10	417.56
Other expenses	25	5,558.68	5,700.11
<b>Total Expenses</b>		<b>32,998.02</b>	<b>25,597.18</b>
<b>Profit Before Tax</b>		<b>1,410.55</b>	<b>2,484.99</b>
<b>Tax Expense:</b>			
Current tax		483.25	434.18
Minimum Alternate Tax credit entitlement		-	92.00
Deferred tax expense/(benefit)		(50.51)	438.00
<b>Profit for the year</b>		<b>977.81</b>	<b>1,704.81</b>
Earnings per equity share:	26		
Basic and Diluted (in Rs.) ( Face value of Rs.10 each)		21.72	37.87

Significant Accounting Policies

1

The accompanying Notes 1 to 42 are an integral part of the financial statements

As per my report of even date attached

For and on behalf of the Board of Directors

**R.MUGUNTHAN**  
Chartered Accountant  
M. No.021397

**P C SEKSARIA**  
Director  
DIN No 00003611

**ANKUR PATODIA**  
Managing Director  
DIN No. 00003567

Place : Kochi  
Date :04.07.2023

Place : Mumbai  
Date : 04.07.2023

Place : Mumbai  
Date : 04.07.2023

# GTN ENTERPRISES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

	2022-23 (₹ In Lacs)	2021-22 (₹ In Lacs)
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax and extra ordinary items	1,410.55	2,484.99
Adjustments for:		
Depreciation	383.57	417.45
Amortisation	8.53	0.11
(Profit)/loss on sale of tangible assets (net)	(18.08)	0.30
Interest income	(10.54)	(8.44)
Interest Expenditure	667.35	533.76
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>2,441.38</b>	<b>3,428.17</b>
Changes in Working Capital:		
Increase / (Decrease) in trade payables	150.52	163.85
Increase / (Decrease) in other current liabilities	141.20	(46.73)
(Increase) / Decrease in trade receivables	(728.55)	(786.98)
(Increase) / Decrease in inventories	165.73	(2,641.02)
(Increase) / Decrease in Short Term loans and advances	161.60	118.76
(Increase) / Decrease in Other Non current Assets	(234.53)	(14.29)
(Increase) / Decrease in other Bank balances	(227.59)	178.73
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,869.76</b>	<b>400.49</b>
Taxes paid (net of refunds)	(273.98)	(171.84)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,595.78</b>	<b>228.65</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant and Equipment	(667.46)	(96.17)
Sale of tangible / intangible assets	174.78	0.33
Investment in Shares	(9.89)	2.98
Interest received	4.81	15.73
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(497.76)</b>	<b>(77.13)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Long Term borrowings	(825.41)	(219.41)
Receipt / (Repayment) of Short Term borrowings	667.07	(218.70)
Intercompany Deposits	(75.50)	475.00
Loan from Directors / Related Parties	-	250.00
Interest paid	(628.38)	(496.45)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(862.22)</b>	<b>(209.56)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>235.80</b>	<b>(58.04)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>265.80</b>	<b>323.84</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>501.60</b>	<b>265.80</b>

**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 my report of even date attached

For and on behalf of the Board of Directors

**R.MUGUNTHAN**  
Chartered Accountant  
M. No.021397

**P C SEKSARIA**  
Director  
DIN No 00003611

**ANKUR PATODIA**  
Managing Director  
DIN No. 00003567

Place : Kochi  
Date :04.07.2023

Place : Mumbai  
Date : 04.07.2023

Place : Mumbai  
Date : 04.07.2023

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

### 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 Equipments on their being 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, freight, taxes and duties and is net of input credit where ever applicable, cost of conversion and and other cost incurred in bringing the inventories to their present location and condition. Raw material is considered at "Weighted Average" cost basis and cost of finished goods is considered as per "Specific Identification" cost basis.

#### 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 GST.

#### g. Borrowing Cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset up to 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 equipment's 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 2023 (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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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 fulfilment 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 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 2023 (Contd.)

### 2 SHARE CAPITAL

	As at 31.03.2023 (₹ in lacs)	As at 31.03.2022 (₹ in lacs)
<b>(a) Authorised:</b>		
49,97,500 Equity shares of Rs.10 each	<u>499.75</u>	<u>499.75</u>
250 , 11% Cumulative Redeemable preference shares of Rs.100 each	<u>0.25</u>	<u>0.25</u>
400000, 0.01% Non Convertible Non Cumulative Redeemable Preference shares of Rs 100 each (Previous year NIL)	<u>400.00</u>	<u>-</u>
<b>(b) Issued, Subscribed and Paid up:</b>		
45,02,310 Equity shares of Rs.10 each fully paid up	450.23	450.23
4,00,000 0.01% Non Convertible Non Cumulative Redeemable Preference shares of Rs 100 each fully paid up (Previous year NIL)	400.00	-
	<u>850.23</u>	<u>450.23</u>

#### (c) Reconciliation of number of shares

	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount ₹ lacs	No of Shares	Amount ₹ lacs
<b>Equity Shares:</b>				
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
<b>0.01% Non Convertible Non Cumulative Redeemable Preference shares:</b>				
Balance as at the beginning of the year	Nil	Nil	Nil	Nil
Add: Shares issued during the Year	400,000	400.00	Nil	Nil
Balance as at the end of the year	400,000	400.00	Nil	Nil

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

Name of Share Holder*		As at March 31, 2023		As at March 31, 2022	
		No of Shares	% of holding	No of Shares	% of holding
i	Shri. Binod Kumar Patodia	472,310	10.49%	472,310	10.49%
ii	Binod Kumar Patodia HUF	608,500	13.52%	608,500	13.52%
iii	Shri. Umang Patodia	555,000	12.33%	555,000	12.33%
iv	Umang Patodia HUF	392,000	8.71%	392,000	8.71%
v	Shri. Ankur Patodia	650,000	14.44%	650,000	14.44%
vi	Ankur Patodia HUF	360,000	8.00%	360,000	8.00%
vii	Smt. Prabha Patodia	580,000	12.88%	580,000	12.88%
viii	Smt. Mala Patodia	473,000	10.51%	473,000	10.51%
ix	Smt. Swati Patodia	410,000	9.11%	410,000	9.11%

\* The above share holders are also the promoters of the Company and there was no change in share holding pattern as at 31.03.2023 and 31.03.2022

- (e) Pursuant to Board of Directors approval dated 31.03.2023 the Company has allotted 0.01% of 4,00,000 Non Convertible Non Cumulative Redeemable Preference shares of Rs 100 each to the promoters and their associates, redemption at the end of 5 years from the date of allotment and the Company have an option to early redemption either partially or fully at any time after two years from the date of allotment by given written notice to the Preference share holders.
- (f) 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

### 3 Reserves and surplus

	As at 31.03.2023 (₹ in lacs)	As at 31.03.2022 (₹ in lacs)
<b>(a) General Reserve</b>		
Balance as at the beginning and end of the year	1,005.00	1,005.00
<b>(b) Capital Reserve</b>		
Balance as at the beginning and the end of the year	15.00	15.00
<b>(c) Surplus/(Deficit) in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	2,859.82	1,155.01
Add: Profit/ (Loss) for the year	977.81	1,704.81
Balance as at the end of the year	<u>3,837.63</u>	<u>2,859.82</u>
<b>TOTAL</b>	<u><u>4,857.63</u></u>	<u><u>3,879.82</u></u>

	As at 31.03.2023 (₹ in lacs)		As at 31.03.2022 (₹ in lacs)	
	Non Current	Current	Non Current	Current
<b>4 Long-term borrowings</b>				
<b>(a) Secured loans</b>				
Term Loans :				
From Banks	116.16	301.85	455.40	289.12
<b>(b) Un-secured loans</b>				
Term Loans :				
From Bank		71.52	73.18	147.24
From Directors/Related Parties	250.00		600.00	
<b>Total</b>	<u><u>366.16</u></u>	<u><u>373.37</u></u>	<u><u>1,128.58</u></u>	<u><u>436.36</u></u>

### I Term loan are secured by :

- (i) Term loans from Banks outstanding of Rs 418.01 lacs (Previous year - Rs 744.52 lacs) are guaranteed by Government of India Under Emergency Credit Line Guarantee Scheme shall rank second pari passu with the existing credit facilities .
- (ii) The unsecured term loan aggregating to Rs 71.52 lacs (Previous year Rs 220.42 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 Rs 33.23 lacs (Previous year 48.73 lacs) is guaranteed by Government of India under Emergency Credit Line Guarantee Scheme.

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

	(₹ in lacs)		
	Maturity Pattern		
	Within One Year	2-5 Years	Beyond 5 Years
a. Secured term loan from bank	301.85	116.16	-
b. Unsecured term loan from bank	71.52		

### III Rate of Interest:

a) Secured term loans	9.25%
b) Unsecured loans	11.47%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

	As at 31.03.2023 (₹ in lacs)	As at 31.03.2022 (₹ in lacs)
<b>5 Deferred Tax Liability (Net)</b>		
<b>(a) Deferred Tax Liabilities</b>		
Difference of companies act and income tax act depreciation	795.73	829.00
<b>(b) Deferred Tax Asset</b>		
Other Disallowances	25.52	8.28
<b>Net Deferred Tax Liability (a)-(b)</b>	770.21	820.72
<b>6 Short-term borrowings</b>		
<b>(a) Secured Loans</b>		
Loan Repayable on demand		
From Banks - Working Capital facilities	2,332.77	1,665.70
Current maturities of long-term loan	301.85	289.12
<b>(b) Unsecured Loans</b>		
Corporate Deposit	510.00	985.50
Current maturities of long-term loan	71.52	147.24
<b>Total</b>	<b>3,216.14</b>	<b>3,087.56</b>

- i Working Capital facilities 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, ranking pari passu interest, and further secured by personal guarantee of Shri B.K.Patodia, Shri Umang Patodia and Shri Ankur Patodia. Besides they have pledged their 10% each equity shares in the Company aggregating 13,50,693 Equity shares i.e, 30% of the total equity share holding of the Company in favour of lead bank M/s. Central Bank of India.
- 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 guarantee of Shri B.K.Patodia, Shri Umang Patodia and Shri Ankur Patodia. Besides they have pledged their 10% each equity shares in the Company aggregating 13,50,693 Equity shares i.e, 30% of the total equity share holding of the Company in favour of lead bank M/s. Central Bank of India. Total amount outstanding at the end of the year is Rs 1468.00 lacs (Previous year Rs.20.00 lacs).

	As at 31.03.2023 (₹ in lacs)	As at 31.03.2022 (₹ in lacs)
<b>7 Trade payables</b>		
i total outstanding dues of micro, small and medium enterprises	52.42	30.03
ii total outstanding dues of creditors other than micro enterprises and small enterprises.	2,836.30	2,708.17
<b>Total</b>	<b>2,888.72</b>	<b>2,738.20</b>

Particulars		Outstanding for following periods from due date of Payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i	<b>MSME</b>	52.42				<b>52.42</b>
ii	<b>Others</b>	2,719.81	76.25	7.08	33.17	<b>2,836.31</b>
i	MSME (Previous Year)	30.03				30.03
ii	Others (Previous Year)	2644.00	40.96	6.05	17.16	2,708.17

\* Also refer point No.33 in Additional information to the financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

	As at 31.03.2023 (₹ in lacs)	As at 31.03.2022 (₹ in lacs)
<b>8 Other current liabilities</b>		
Interest accrued on unsecured loan	143.12	104.15
Advance from customers	178.25	-
Statutory and Other dues payable	16.57	29.39
Expenses payable	260.83	284.72
<b>Total</b>	<b>598.77</b>	<b>418.26</b>
<b>9 Short-term provisions</b>		
Provision for current tax (Net of Advance Tax and TDS of Rs. 261.29 lakhs)	173.76	201.29
<b>Total</b>	<b>173.76</b>	<b>201.29</b>
<b>10 Property, Plant And Equipment And Intangible Assets</b>		

(₹ in lacs)

Description	Gross Block				Depreciation/Amortisation/					Net Block		
	As at 01.04.2022	Addition	Adjustments	Deletion	As at 31.03.2023	As at 01.04.2022	For the Year	Adjustments	On Deletion	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
<b>A Property, plant and equipment</b>												
Land (Freehold)	122.75				122.75						122.75	122.75
Building	1,927.85	6.10			1,933.95	1,025.53	59.46			1,084.99	848.96	902.32
Plant and Equipment	9,185.65	657.62		580.89	9,262.38	5,812.58	317.76		424.61	5,705.73	3,556.65	3,373.07
Office Equipment	102.80	4.64			107.44	97.81	2.68			100.49	6.95	4.99
Furniture and Fixtures	60.24	0.70		0.36	60.58	56.93	0.87		0.36	57.44	3.14	3.31
Vehicles	123.44			8.27	115.17	112.49	2.80		7.85	107.44	7.73	10.95
<b>Total A</b>	<b>11,522.73</b>	<b>669.06</b>		<b>589.52</b>	<b>11,602.27</b>	<b>7,105.34</b>	<b>383.57</b>		<b>432.82</b>	<b>7,056.09</b>	<b>4,546.18</b>	<b>4,417.39</b>
Previous year end (i)	11,432.80	94.91		4.98	11,522.73	6,692.24	417.45		4.35	7,105.34	4,417.39	4,740.56
<b>B Intangible assets</b>												
Computer Software	104.10				104.10	92.06	8.53			100.59	3.51	12.04
<b>Total B</b>	<b>104.10</b>				<b>104.10</b>	<b>92.06</b>	<b>8.53</b>			<b>100.59</b>	<b>3.51</b>	<b>12.04</b>
Previous year end (iii)	104.10				104.10	91.95	0.11			92.06	12.04	12.15
<b>Total A+B</b>	<b>11,626.83</b>	<b>669.06</b>		<b>589.52</b>	<b>11,706.37</b>	<b>7,197.40</b>	<b>392.10</b>		<b>432.82</b>	<b>7,156.68</b>	<b>4,549.69</b>	<b>4,429.43</b>
Previous year end (i) to (iii)	11,536.90	94.91		4.98	11,626.83	6,784.19	417.56		4.35	7,197.40	4,429.43	4,752.71
<b>C Capital Work -in Progress</b>												
Less than one year	1.26		(1.26)		-						-	1.26
Previous year end		1.26			1.26						1.26	-

	As at 31.03.2023 (₹ in lacs)	As at 31.03.2022 (₹ in lacs)
<b>11 Non-current investments</b>		
<b>Long-term investments - At cost</b>		
<b>In Equity instruments - Non -Trade (unquoted)</b>		
6,35,619 Equity shares( Previous Year 4,75,619) of Rs 10 each in M/s Gamma Green Power Private Limited	63.56	47.56
Current Year Nil (Previous Year 79,000) of Rs 10 each in M/s OPG Power Generation Private Limited	-	6.11
<b>In Government Securities</b>		
Non-Trade (unquoted)	0.36	0.36
National Savings Certificates (Lodged with statutory authorities)		
<b>Total</b>	<b>63.92</b>	<b>54.03</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

	As at 31.03.2023 (₹ in lacs)	As at 31.03.2022 (₹ in lacs)
<b>12 Long-term loans and advances</b>		
Unsecured and considered good		
Minimum Alternate Tax credit entitlement	384.31	621.11
<b>Total</b>	<b>384.31</b>	<b>621.11</b>
<b>13 Other non-current assets</b>		
Security Deposits	288.04	53.51
<b>Total</b>	<b>288.04</b>	<b>53.51</b>
<b>14 Inventories</b>		
Stores, spares and packing materials	13.85	9.35
Stock-in-trade		
Raw materials	1,989.94	1,805.44
Goods-in-process	525.15	975.01
Finished goods	1,809.36	1,692.89
Waste stock	40.02	61.36
<b>Total</b>	<b>4,378.32</b>	<b>4,544.05</b>
<b>15 Trade receivables</b>		
<i>Unsecured, considered good unless otherwise stated</i>		
Undisputed Trade Receivables	2,764.20	2,035.65
<b>Total</b>	<b>2,764.20</b>	<b>2,035.65</b>

	Particulars	Outstanding for following periods from due date of Payment					Total
		Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
i	Undisputed Trade Receivables -considered good	2,742.46	2.54	-	0.54	18.66	<b>2,764.20</b>
	<b>Previous Year</b>						
i	Undisputed Trade Receivables -considered good	2,009.76	2.66	3.42	15.60	4.21	<b>2,035.65</b>

<b>16 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in Hand	1.03	0.95
Balances with Banks in Current Accounts	500.57	264.85
<b>Other bank balances</b>		
Margin Money and other lien Deposits	282.93	55.34
<b>Total</b>	<b>784.53</b>	<b>321.14</b>
<b>17 Short-term loans and advances</b>		
Unsecured and considered good		
Prepaid expenses	52.82	144.12
Other advances	5.11	18.34
Balances with statutory authorities	369.42	461.06
<b>Total</b>	<b>427.35</b>	<b>623.52</b>
<b>18 Other current assets</b>		
Interest accrued on deposits	7.91	2.18
Export incentives	71.23	20.52
Interest subvention receivable	2.12	18.26
<b>Total</b>	<b>81.26</b>	<b>40.96</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

	2022-2023 (₹ in lacs)	2021-2022 (₹ in lacs)
<b>19 Revenue from operations</b>		
<b>(A) Sale of Products ( Net of Tax)</b>		
<b>Finished Goods :</b>		
Exports	18,628.91	14,875.23
Local	11,239.88	9,979.04
<b>Traded Goods :</b>		
Exports	1,767.10	1,613.77
<b>Waste Sales :</b>		
Local	1,810.16	1,287.54
<b>Net Sales</b>	<b>Total (A)</b>	
	<u>33,446.05</u>	<u>27,755.58</u>
 <b>(B) Other Operating Revenues</b>		
Export Incentives	790.92	114.49
Job Work Charges	156.23	189.46
	<b>Total (B)</b>	
	<u>947.15</u>	<u>303.95</u>
<b>Total (A) + (B)</b>	<u>34,393.20</u>	<u>28,059.53</u>
 <b>20 Other income</b>		
Interest Income	10.17	8.11
Sale of Scrap	4.83	14.20
Interest on Income Tax Refund	0.37	0.33
	<b>Total</b>	
	<u>15.37</u>	<u>22.64</u>
 <b>21 Cost of materials consumed</b>		
<b>a Raw materials Consumed</b>		
Opening inventory	1,805.44	1,008.15
Add: Purchases during the year	26,469.24	22,316.64
Less: Sale of cotton	3,493.56	4,201.01
Less: Closing inventory	1,989.94	1,805.44
	<b>Sub Total</b>	
	<u>22,791.18</u>	<u>17,318.34</u>
<b>b Packing Material Consumed</b>		
Opening inventory	8.89	16.12
Add: Purchases during the year	306.90	253.39
Less: Closing inventory	11.05	8.89
	<b>Sub Total</b>	
	<u>304.74</u>	<u>260.62</u>
<b>Total (A) + (B)</b>	<u>23,095.92</u>	<u>17,578.96</u>
 <b>22 Changes in inventory of finished goods, goods in process and waste</b>		
<b>a Stock at the beginning of the year:</b>		
Finished goods	1,692.89	613.43
Goods-in-process	975.01	247.07
Waste	61.36	17.93
	<b>Sub Total</b>	
	<u>2,729.26</u>	<u>878.43</u>
<b>b Less : Stock at the end of the year:</b>		
Finished goods	1,809.36	1,692.89
Goods-in-process	525.15	975.01
Waste	40.02	61.36
	<b>Sub Total</b>	
	<u>2,374.53</u>	<u>2,729.26</u>
<b>Decrease /(Increase) in Stocks (a-b)</b>	<u>354.73</u>	<u>(1,850.83)</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

	2022-2023 (₹ in lacs)	2021-2022 (₹ in lacs)
<b>23 Employees benefits expenses</b>		
Salaries, wages and bonus	1,330.88	1,151.33
Contribution to provident and other funds	98.03	84.99
Welfare expenses	160.01	145.34
Terminal dues /Compensation paid to Workmen	-	244.21
<b>Total</b>	<b>1,588.92</b>	<b>1,625.87</b>
<b>24 Finance costs</b>		
Interest expenses	667.35	533.76
Other borrowing costs	192.55	66.36
Interest on short fall in payment of Advance Tax /TDS	-	17.53
<b>Total</b>	<b>859.90</b>	<b>617.65</b>
<b>25 Other expenses</b>		
Power and Fuel	2,093.09	1,618.93
Repairs & Maintenance - Building	15.74	1.21
Repairs & Maintenance - Plant and Equipments	339.47	288.63
Consumption - Stores and Spares	34.38	24.52
Processing Charges	1,408.47	1,878.46
Rent	34.73	24.91
Insurance	68.37	53.97
Rates and Taxes	35.85	34.84
Commission and Brokerage	392.33	362.63
Other Selling expenses	703.54	849.60
Payment to Auditors:		
Audit Fee	1.00	1.00
Tax Audit Fee	0.25	-
Loss /(Profit) on Sale/transfer of PPE	(18.08)	0.30
Net loss on foreign currency transaction and translation	52.77	(169.33)
Claim no longer recoverable	-	439.46
Corporate Social Responsibility	5.95	-
Miscellaneous Expenses	390.82	290.98
<b>Total</b>	<b>5,558.68</b>	<b>5,700.11</b>
<b>26 Earnings Per Share (EPS)</b>		
Net profit /(Loss) as per statement of profit and loss	977.81	1,704.81
Weighted average no of Equity Shares (Face value of Rs.10 each)	4502310	4502310
Basic and diluted Earning Per Share-in Rs.	21.72	37.87

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

### 27 Employees Benefits

Particulars		Gratuity (Funded) 2022-2023 (₹ in lacs)	Gratuity (Funded) 2021-2022 (₹ in lacs)
<b>A</b>	<b>Expense recognised during the year</b>		
1	Current Service Cost	7.76	7.79
2	Interest cost	7.09	6.54
3	Expected return on plan assets	(4.26)	(4.38)
4	Actuarial Loss/(Gain) during the year	38.97	70.58
5	Expenses recognised in Profit & Loss account	49.56	80.53
<b>B</b>	<b>Actual return on Plan assets</b>		
1	Expected return on plan assets	4.26	4.38
2	Actuarial Gain/(Loss) on Plan assets	-	-
3	Actual return on plan assets	4.26	4.38
<b>C</b>	<b>Net Asset/(Liability) recognised in the Balance Sheet</b>		
1	Present value of the obligation at the year end	140.20	100.69
2	Fair Value of plan assets at the year end	55.80	65.26
3	Funded status - surplus/(deficit)	(84.40)	(35.43)
4	Unrecognised past service cost	-	-
5	Net Asset/(Liability) recognised in the Balance Sheet	(84.40)	(35.43)
<b>D</b>	<b>Change in Present value of the Obligation during the year</b>		
1	Present value of the obligation as at the beginning of year	100.69	93.41
2	Current service cost	7.76	7.79
3	Interest cost	7.09	6.54
4	Benefits paid	(14.31)	(77.63)
5	Actuarial loss/(gain) on obligation	38.97	70.58
6	Present value of obligation at the year end	140.20	100.69
<b>E</b>	<b>Change in Assets during the year</b>		
1	Fair Value of plan assets at the beginning of the year	65.26	132.25
2	Expected return on plan assets	4.26	4.38
3	Contributions made	0.59	6.26
4	Benefits paid	(14.31)	(77.63)
5	Actuarial Loss/(gain) on plan assets	-	-
6	Fair value of plan assets at the year end	55.80	65.26
<b>F</b>	<b>Actuarial Assumptions</b>		
1	Discount rate	7.00%	7.00%
2	Salary escalation	3.00%	3.00%

### 28 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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

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

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

### iv Relatives of Key Management Personnel:

- 1 Shri. B.K. Patodia - Father of Sri Ankur Patodia
- 2 B K Patodia HUF
- 3 Smt. Swati Patodia-Wife of Sri Ankur patodia
- 4 Shri. Umang Patodia - Brother of Sri Ankur patodia
- 5 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
Sale of goods	248.15	671.53				
Purchase of goods and services	292.98	1,716.92			152.34	594.61
Rendering services	131.19	216.32				
Receiving services	713.19	1,268.02			2.25	9.00
Remuneration paid			22.50	34.50	8.35	10.29
Sitting fees					0.36	0.38
Interest paid			17.50	13.04	32.42	32.42
Deposits			0.00	250.00		
Balances as at year end:						
Amount (Receivable)/ Payable	(485.26)	381.21			118.75	154.32
Loan/Deposit Outstanding			250.00	250.00		400.50
Interest payable			30.38	14.63	80.39	46.28
Guarantee Provided for	-	1,700.00				

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

		Transactions	
		2022-23	2021-22
		(₹ in lacs)	(₹ in lacs)
(i)	<b>Sale of goods</b>		
	<b>a) Cotton</b>		
	i) GTN Textiles Limited	29.51	361.08
	ii) Patspin India Limited	210.85	50.68
	<b>b) Cotton Yarn</b>		
	i) GTN Textiles Limited	-	246.65
	<b>c) Store Items</b>		
	i) Patspin India Limited	1.70	13.13

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

	<b>d) Waste</b>		
	i) Patspin India Limited	6.10	-
<b>(ii)</b>	<b>Purchase of goods</b>		
	<b>a) Cotton</b>		
	i) Patspin India Limited	-	8.69
	<b>b) Cotton Yarn</b>		
	i) GTN Textiles Limited	170.76	1,474.04
	ii) Patspin India Limited	105.14	217.51
	iii) Umang Finance Private Limited	95.93	92.20
	iv) Beekaypee Credit Private Limited	56.41	502.41
<b>(iii)</b>	<b>Purchase of waste</b>		
	i) Patspin India Limited	-	5.34
	ii) GTN Textiles Limited	2.61	10.12
<b>(iv)</b>	<b>Purchase of Packing Material</b>		
	i) Patspin India Limited		0.46
	ii) GTN Textiles Limited	11.75	0.73
<b>(v)</b>	<b>Store items</b>		
	i) Patspin India Limited	2.71	0.04
<b>(vi)</b>	<b>Rendering of services</b>		
	<b>a) Processing Charges</b>		
	i) GTN Textiles Limited	13.14	5.65
	ii) Patspin India Limited	118.05	210.68
<b>(vii)</b>	<b>Receiving of services</b>		
	<b>a) Rent</b>		
	i) GTN Textiles Limited	0.60	1.20
	ii) Patspin India Limited	0.54	1.08
	iii) Mala Patodia	2.25	9.00
	<b>b) Processing Charges</b>		
	i) GTN Textiles Limited	-	0.62
	ii) Patspin India Limited	712.05	1,265.12
<b>(viii)</b>	<b>Remuneration paid</b>		
	Sri. Ankur Patodia (Managing Director)	22.50	34.50
	Smt. Mala Patodia	4.18	4.67
	Smt. Swati Patodia	4.18	5.62
<b>(ix)</b>	<b>Sitting Fees</b>		
	Sri. B.K.Patodia	0.16	0.20
	Sri. Umang Patodia	0.20	0.18
<b>(x)</b>	<b>Fixed Deposit</b>		
	Shri. Ankur Patodia		250.00
<b>(xi)</b>	<b>Interest On Fixed Deposit</b>		
	Umang Finance Private Limited	2.62	2.62
	Patodia Exports and investments Private Limited	5.38	5.39
	Shri. Ankur Patodia	17.50	13.04
	Shri. B.K. Patodia	14.00	14.00
	B.K. Patodia HUF	8.25	8.25
	Beekaypee Credit Private Limited	2.17	2.17

**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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

**29** 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.

**30** 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 Rs 20,396.00 Lacs (Previous year Rs.16,489.01 lacs) and within India sale of Rs.13,050.04 lacs (Previous year Rs.11,266.58 Lacs)

### **31 Lease: Disclosure as required in AS-19.**

#### **Operational lease:**

The lease expenses for cancellable operating leases during the year ended 31st March, 2023 is Rs.34.73 lacs (Previous year Rs.24.91 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 25 of the financial statements.

### **32 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 Rs. Nil).
- 2 Outstanding Export Forward Contracts (not in the nature of derivatives ) as on 31 st March '23 which were entered into for hedging exchange risk arising from foreign currency fluctuations related to highly probable future transactions amount to US\$ 26.92 lacs ( Previous Year US\$ 57.13 lacs) at average Exchange Rate of Rs 82.67 /US\$ (Previous year 76.44/US\$) and Euro 44.64 lac (Previous year 13.63 Lakh) at average exchange rate Rs 89.93 /Euro (Previous year Rs 87.51 /Euro). The period covered under these contracts spreads over April 2023 to November 2023 (Previous Year April 2022 to November 2022). The average Exchange Rate applicable for the above period based on exchange rate on 31.03.2023 works out to Rs 82.46 /US\$ and Rs 90.89/Euro (Previous year Rs 76.56/US\$ Euro Rs 85.94), resulting in notional loss of Rs 37.20 lacs (Previous year notional gain of Rs 14.82 lacs)
- 3 Outstanding Import Forward Contracts (not in the nature of derivatives) as on 31st March '23 which were entered into for hedging exchange risk arising from foreign currency fluctuations related to highly probable future transactions amounting to US\$ 30.39 lacs (Previous year Nil) at average exchange rate of Rs.82.26 /US\$ . The period covered under these contracts spreads over April 2023.The average Exchange rate applicable for the above period based on exchange rate as on 31.03.2023 works out to Rs 82.11/US\$, resulting in notional loss of Rs 1.91 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) 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 Rs 53.36 Lacs (Previous Year Rs 43.43 lacs)
  - b) 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 Rs 135.35 lacs .(Previous year Rs 135.35 lacs)
- 2 The company has given Corporate Guarantee amounting to Rs.1700 lacs during previous year to a Financial Institution in respect of financial assistance provided by them to Patspin India Ltd. During the current year the above loan was fully repaid and there is no outstanding liability as on 31st March 2023 ( Previous Year – Rs. 565.85 lacs ).

### **33 Particulars of un hedged Foreign Currency exposures as at 31 st March 2022 are as given below:**

Particulars	Currency	As at 31.03.2023			As at 31.03.2022		
		Amount in lacs USD	Exchange Rate ₹	Amount (₹ in lacs)	Amount in lacs USD	Exchange Rate ₹	Amount (₹ in lacs)
Accounts payable	USD	6.17	82.11	507.02	8.60	75.72	651.08

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

### 34 Net Loss/Gain on Foreign currency transaction and translation

The amount of net loss on foreign currency transaction and translation included in the other expenses amounts to Rs. 52.77 lacs (Previous year Rs.169.33 lacs gain ). This includes loss on account of export Rs.74.44 lacs (Previous year Rs. 185.56 lacs gain). Gain on account of Import Rs.21.67 lacs (Previous year Rs. 16.23 lacs loss).

### 35 Details of dues to Micro, Small and Medium enterprises as defined under the Micro, Small and Medium Enterprises Act, 2006

Particulars	As at 31.03.2023	As at 31.03.2022
	₹ in lacs	₹ in lacs
a. The principal amount due thereon remaining unpaid as on the Balance sheet date	52.42	30.03
b. Interest paid along with the amount of the payment during the year	Rs .Nil	Rs .Nil
c. Interest due and payable but without adding the interest specified in the abovementioned act.	Rs .Nil	Rs .Nil
d. Interest accrued and remaining unpaid at the end of the year.	Rs .Nil	Rs .Nil
e. 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.	Rs .Nil	Rs .Nil

### 36 Value of imports on CIF basis

Particulars	31.03.2023 (₹ in lacs)	31.03.2022 (₹ in lacs)
Raw Materials - Cotton	8,059.49	7147.56
Stores	38.22	22.91
<b>Total</b>	<b>8097.71</b>	<b>7170.47</b>

### 37 Expenditure in foreign currency

Agents Commission	353.16	166.46
Others	129.35	31.02
<b>Total</b>	<b>482.51</b>	<b>197.48</b>

### 38 Imported and Indigenous Raw Materials, Traded goods, Packing materials, Stores and spares

Particulars	2022-2023		2021-2022	
	(₹ in lacs)	Percentage	(₹ in lacs)	Percentage
<b>(a) Raw Materials</b>				
Cotton Imported	12,955.16	56.84%	7,611.60	43.95%
Cotton Indigenous	3,295.86	14.46%	4,160.54	24.02%
Yarn Indigenous	6,540.17	28.70%	5,546.20	32.03%
	<u>22,791.19</u>	<u>100.00%</u>	<u>17,318.34</u>	<u>100.00%</u>
<b>(b) Traded Goods (Yarn -Indigenous)</b>	1,147.77		1,507.86	
<b>(c) Packing Materials (Indigenous)</b>	304.74		260.62	
<b>(d) Stores and Spares</b>				
Imported	35.42	79.25%	22.44	58.61%
Indigenous *	9.28	20.75%	15.85	41.39%
	<u>44.70</u>	<u>100.00%</u>	<u>38.29</u>	<u>100.00%</u>
<b>Total</b>	<b>24,288.40</b>		<b>19,125.11</b>	

\*Note Includes HSD Value of Rs 10.32 lacs (Previous year Rs 13.77 lacs) Charged to Power & Fuel

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

### 39 Earnings in foreign currency

Particulars	2022-2023	2021-2022
	(₹ in lacs)	(₹ in lacs)
FOB Value of Exports (Rs in lacs)	20,010.36	15,897.08

### 40 Ratios

		2022-23		2021-22		% Change	Remarks Refer Note No 1
		Rs Lacs	Ratio	Rs Lacs	Ratio		
a	Current Assets	8,435.66		7,565.32			
b	Current Liabilities	6,877.39		6,445.31			
	<b>Current Ratio (a/b)</b>		1.23		1.17	4%	
c	Total Debt	7,243.55		7,573.89			
d	Shareholders Equity.	5,707.86		4,330.05			
	<b>Debt-Equity Ratio (c/d)</b>		1.27		1.75	-27%	
e	Profit/(Loss) before tax	1,410.55		2,484.99			
f	Finance Cost	64.08		93.94			
g	Depreciation	392.10		417.56			
h	Net operating Income (e+f+g)	1,866.73		2,996.49			
i	Principal Repayment	475.41		219.41			
j	Interest Payments	64.08		93.94			
k	Total Debt service (i+j)	539.49		313.35			
	<b>Debt Service Coverage Ratio (h/k)</b>		3.46		9.56	-64%	
i	Profit/(Loss) after tax	977.81		1,704.81			
m	Average Shareholders Equity	5,018.96		3,477.65			
	<b>Return on Equity Ratio (i/m)</b>		0.19		0.49	-60%	
n	Sales	34,408.57		28,082.17			
o	Average Inventory	4461.19		3223.54			
	<b>Inventory Turnover Ratio(n/o)</b>		7.71		8.71	-11%	
p	Sales	34,408.57		28,082.17			
q	Average Trade Receivable	2,399.93		1,642.16			
	<b>Trade Receivable Turnover Ratio (p/q)</b>		14.34		17.10	-16%	
r	Purchases	27,923.91		24,077.89			
s	Average Trade Payables	2,813.46		2,656.27			
	<b>Trade Payable Turnover Ratio (r/s)</b>		9.93		9.06	0.09	
t	Sales	34,408.57		28,082.17			
u	Current assets	8,435.66		7,565.32			
v	Current liabilities	6,877.39		6,445.31			
w	Net Assets (u-v)	1,558.27		1,120.01			
	<b>Net Capital Turnover Ratio (t/w)</b>		22.08		25.07	-12%	
x	Profit/(Loss) after tax	977.81		1,704.81			
y	Sales	34,408.57		28,082.17			
	<b>Net Profit Ratio (x/y)</b>		0.03		0.06	-53%	
z	Profit/(Loss) before tax	1,410.55		2,484.99			
aa	Finance Cost	859.90		617.65			
ab	Earning before Interest and Tax (z+aa)	2,270.45		3,102.64			
ac	Tangible Net Worth	5,707.86		4,330.05			
ad	Total Debt	7,243.55		7,573.89			
ae	Deferred tax liability	770.21		820.72			
af	Capital employed (ac+ad+ae)	13,721.62		12,724.67			
	<b>Return on Capital employed (aa/ag)</b>		0.17		0.24	-32%	
ag	<b>Return on Investment *</b>						

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023 (Contd.)

\* Investment made in Gamma Green Power Private Limited and OPG Power Generation Private Limited as a Captive Power User. Due to this investment, the Company has purchased 28,80,325 units of electricity at a cost of Rs. 6.12 per unit as against a unit cost of Rs. 8.22 per unit from TNEB.

Note No 1

The financials and operational ratios have improved during the current financial year mainly due to company achieving improved performance over the previous year.

### 41 Other Statutory Information

- a. All title deeds of immovable property are held in the name of the company and the company does not have any immovable property without Title in its name.
- b. During the year, the company has not revalued any of its property, plant and equipment.
- c. No loan or advances in the nature of loan has been advanced/ granted to any of the Promoters/ Directors/ Key Managerial Personnel (KMP).
- d. Since there is no addition / deletion in Capital Work in Progress (CWIP) and Intangible assets during the year and hence disclosures regarding these items were not made.
- e. The Company does not hold any Benami Property.
- f. The quarterly returns filed with the bank disclosing the Current Assets tally with Book of Accounts
- g. No Bank(s), Financial Institution(s) or any lender has declared the Company as wilful defaulter.
- h. As per available information, the Company does not have any transactions with the struck off companies.
- i. All the charges and satisfaction of charges if any have been registered with the Registrar of Companies within the stipulated time.
- j. Disclosure regarding compliance with number of layers of companies and compliance with approved scheme(s) of arrangement are not applicable for the year under review.
- k. The Company has not advanced or loaned or invested funds either out of borrowed funds or share premium or any other source or kind of funds to any other person(s) or entity (ies) including foreign entities during the year under review. Further, the company has not received any fund from any persons or entity (ies) including foreign entities (Funding Party) with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities on behalf of the Funding Party during the year under review.
- l. Since there was no unrecorded transactions in the books of accounts during the year, the requirement of its disclosure does not arise.
- m. During the financial year 2022-23 Company had spent an amount of Rs 5.95 lacs towards Corporate Social Responsibility expenditure under section 135 of the Companies Act 2013 and there are no unspent amount as on the balance sheet date.
- n. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

### 42 Previous year's figures

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

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Signature to Note 1 to 42

As per my report of even date attached

For and on behalf of the Board of Directors

**R.MUGUNTHAN**  
Chartered Accountant  
M. No.021397

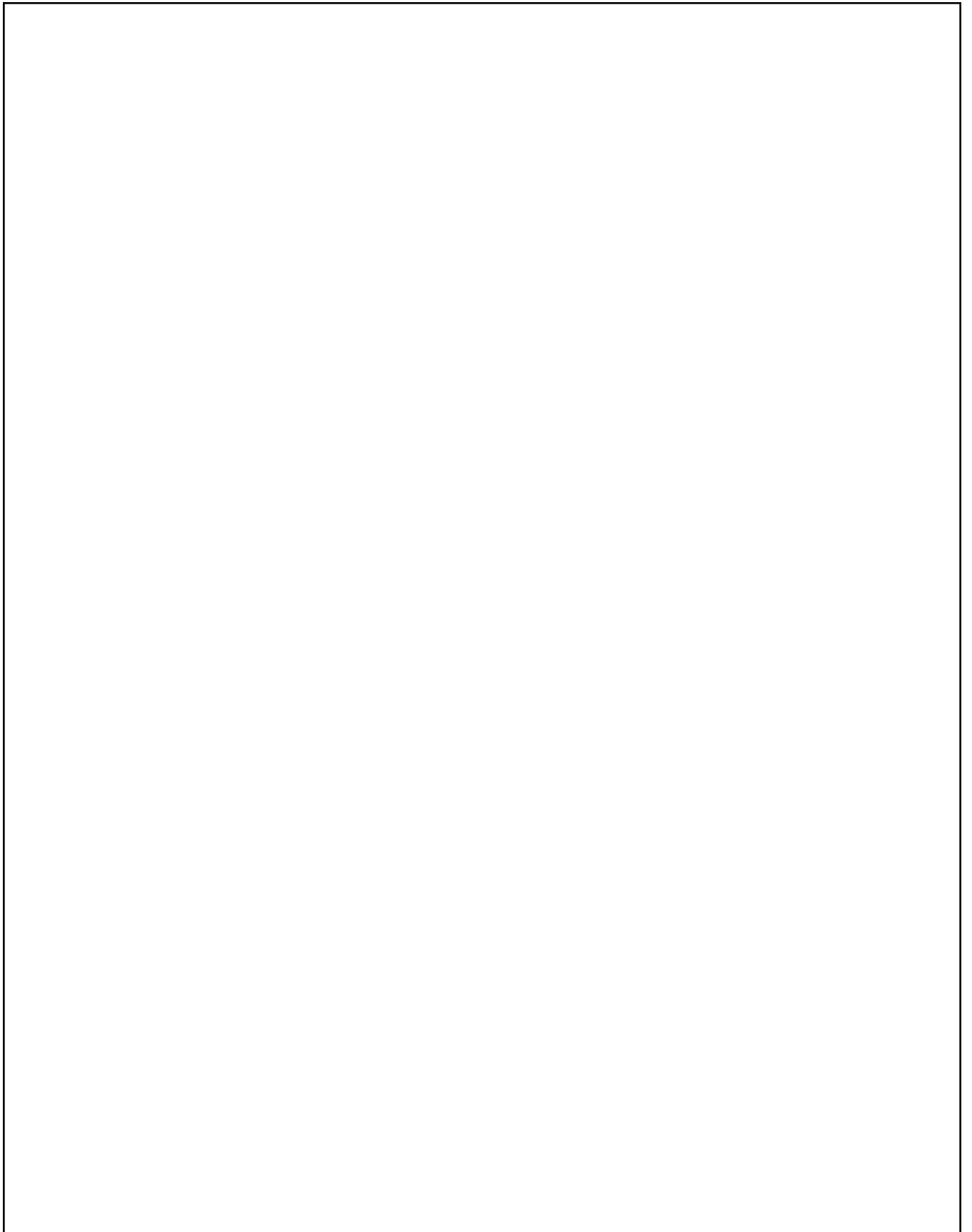
**P C SEKSARIA**  
Director  
DIN No 00003611

**ANKUR PATODIA**  
Managing Director  
DIN No. 00003567

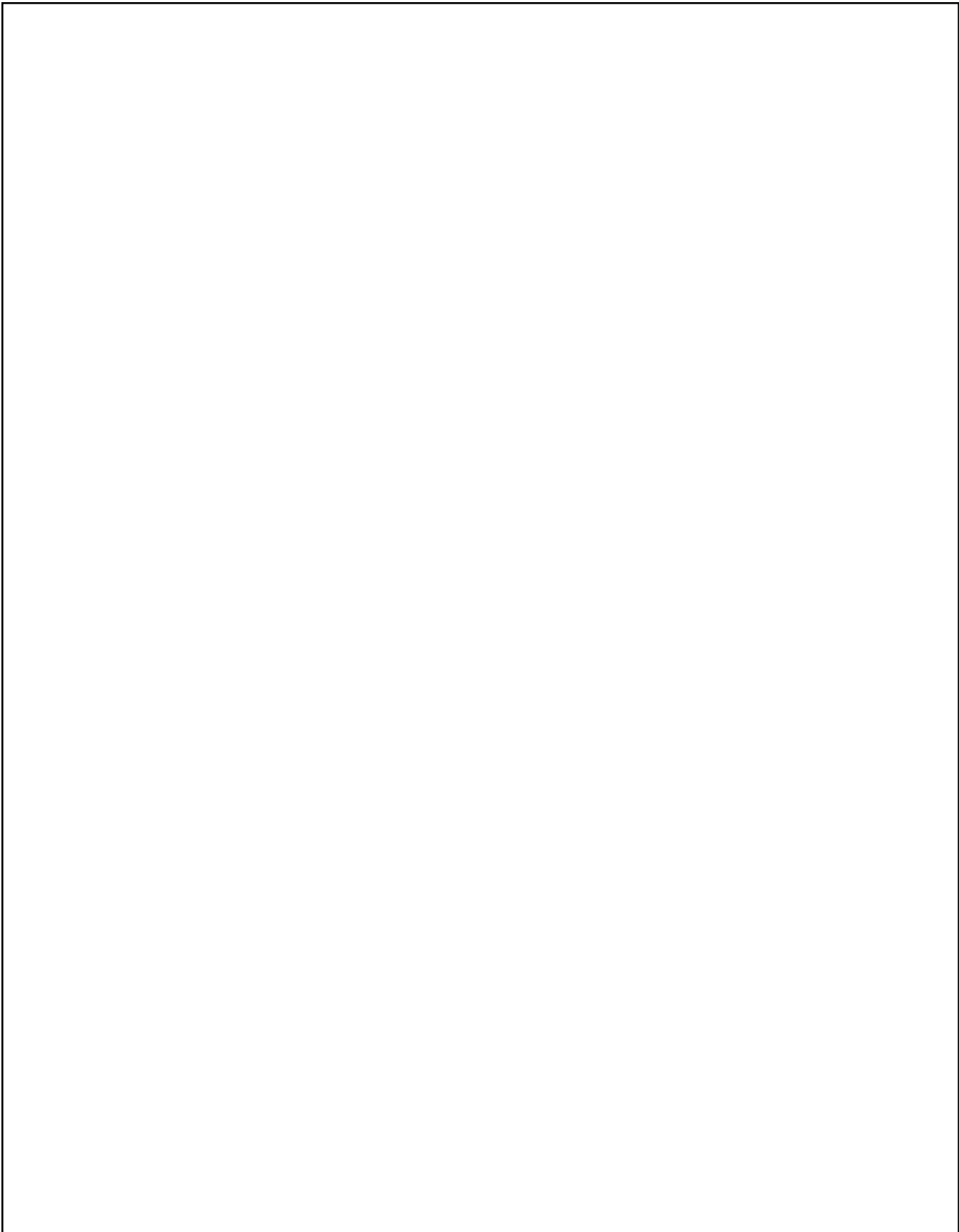
Place : Kochi  
Date :04.07.2023

Place : Mumbai  
Date : 04.07.2023

Place : Mumbai  
Date : 04.07.2023









Registered Office: Door No. VIII/911, Erumathala P O., Aluva, Ernakulam 683 112

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