



# Globe Textiles

( India ) Ltd.  
Superior Quality

25<sup>th</sup> Annual Report

Financial Year 2019-20



**Chairman's Message**

Dear Stakeholders,



*“Great moments are challenged by adversity that builds character & forms a respect to the true value of life.”*

It gives me immense pleasure to present the Annual Report for the year under review for Globe Textiles (India) Limited. Although our business growth this year was not inspiring but a notable performance through the first 11 months of FY 2020 was there. But it was in the final days of the year that the true nature of its purpose-driven worldview truly shone through. Your company has given first priority to health safety of employees and tried to help needy battle the pandemic.

As new normal in CoVID-19, your company has added PPE suit and face masks in the portfolio. The Company is continuously striving with a consistent quest for providing complete denim and fabrics by new product development and understanding of consumer preferences in the upcoming years. We have ensured adoption of latest developments in technology to improve asset reliability and avoid unplanned outages, thereby enabling high on-stream factor. Our performance this year gives me satisfaction that in the tough time we can manage the result. Our approach towards growth was slightly affected but the Company has managed the liquidity.

The Company has performed well and generated the revenue of ₹ 26516.81 Lac and profit of ₹ 577.96 Lac. The net profit after tax is ₹ 444.21 Lac during the year under review.

The Company is marching towards the experiments with new products, designs with new technology with due care of natural resources. Adaptability and grasping the customer needs is the key of success in textiles industry. I am sure that if we are able to adapt to the changing market, the future will always be rewarding for all the stakeholders of the Company.

I extend my sincere thanks to all our stakeholders, lending banks, shareholders, customers for their unstinted support in shaping and improving the performance of the Company. I would like to show my regards to all my colleagues for their dedication, commitment and contribution to strengthen the Globe Textiles. I would like to pay my sincere appreciation to the Board of Directors for their guidance.

Thank you.

Warm regards,  
***Bhavik S. Parikh***  
***Chairman & Managing Director***

## Corporate Information

### Board of Directors

**Mr. Bhavik Suryakant Parikh**

Chairman & Managing Director  
(DIN: 00038223)

**Mr. Nilaybhai Jagdishbhai Vora**

Whole-Time Director  
(DIN: 02158990)

**Mr. Yogesh Kanhiyalal Vaidya**

Independent Director  
(DIN: 00468732)

**Mr. Bharat Shamjibhai Patel**

Independent Director  
(DIN: 00243783)

**Mr. Monish Harbans Bhalla**

Independent Director  
(DIN: 00221254)

**Mrs. Purvi Bhavin Parikh**

Woman Director  
(DIN: 07732523)

### Chief Executive Officer & Chief Financial Officer

**Mr. Bhavin Suryakant Parikh**

### Company Secretary & Compliance Officer

**Mr. Faruk Diwan**

### Registered Office

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad – 380008  
Gujarat.

Phone: 079-2293 1881 to 1885

Email: [cs@globetextiles.net](mailto:cs@globetextiles.net)

Website: [www.globetextiles.net](http://www.globetextiles.net)

### Statutory Auditors

**M/s. Shah Dhandharia & Co.**

807, Abhijeet-1, Mithakhali Six Roads,  
Navrangpura, Ahmedabad – 380 009  
Gujarat.

### Bankers

Karur Vysya Bank Limited

Union Bank of India

### Registrar & Share Transfer Agent

**Bigshare Services Private Limited**

A-802, Samudra Complex, Nr. Girish  
Cold Drinks, Off. C. G. Road,

Navrangpura, Ahmedabad – 380 009

Phone: 079-40024135

Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

### Secretarial Auditor

**M/s. K. Jatin & Co.**

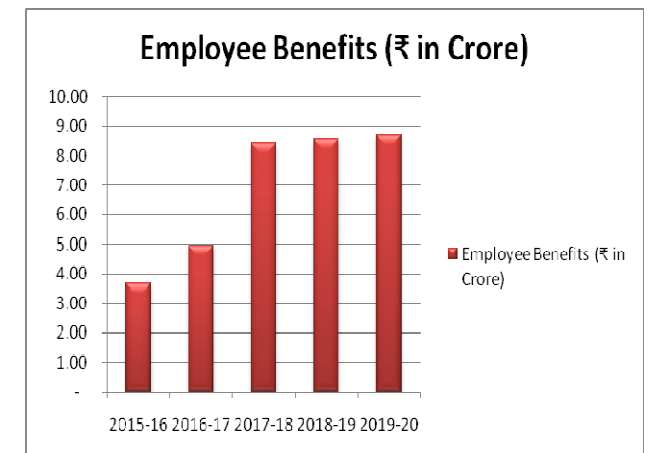
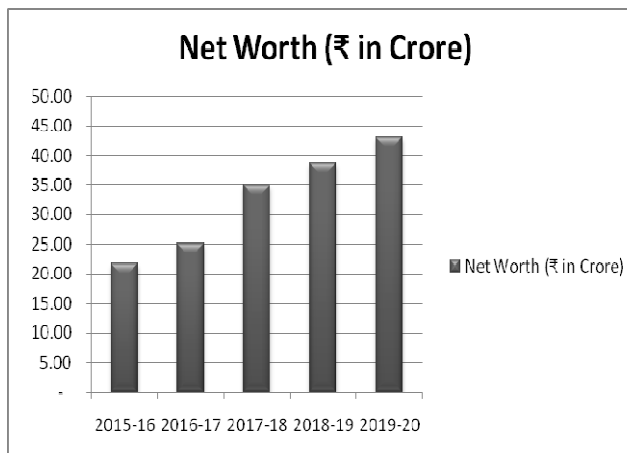
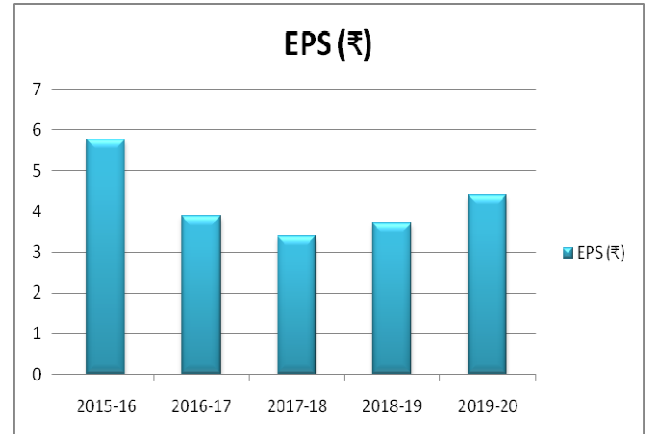
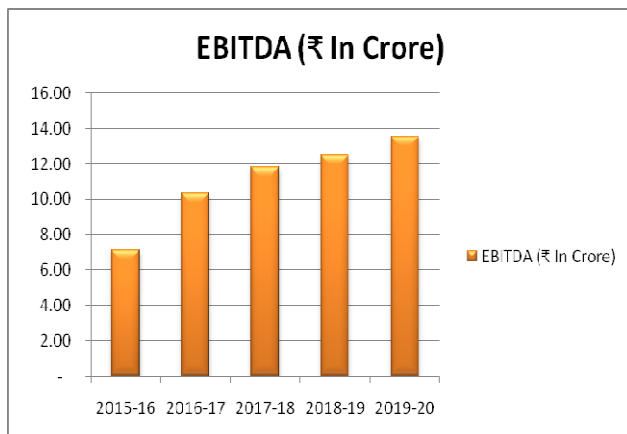
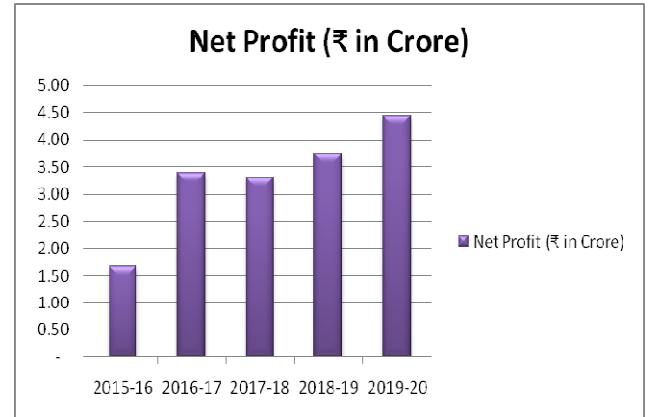
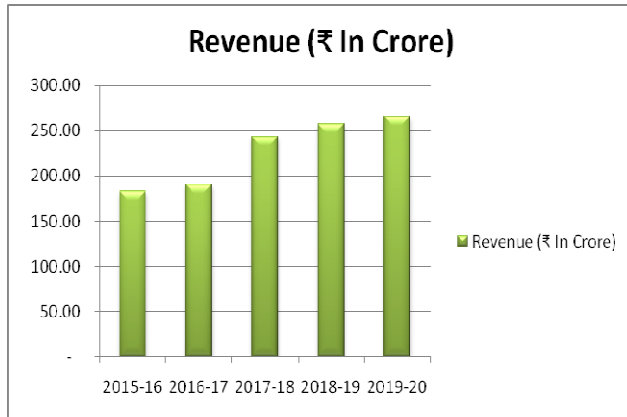
307, Abhijot Square, B/h. Divya Bhaskar  
S. G. Highway, Ahmedabad - 380051

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### Note

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

## Financial Snapshot



## Products Portfolio

### Personal Protective Equipment (PPE) Suit – The Safety Essential in COVID



The Company is manufacturing PPE Suit in the times when it is very important to take extreme care of health due to risk of Corona virus, people are avoiding stepping out. This non-woven PPE suit is made using polypropylene fabric which makes it durable. Being a light weight kit and available in free size, almost everyone can use the kit whenever needed. Personal Protective Equipment (PPE) suit is one of such safety essential that will minimize the risk of your body contact with the virus by covering all parts of your body.

Not just frontline doctors and support staff are using these kits but people who are travelling by flights or trains for long journeys are using the kit for an added protection. Since the body suit has elastic on the lower back, there is a good grip when suit is on. With a universal design, the suit can be used by almost everyone irrespective of the body type.

## Face Mask



Globe Textiles is also manufacturing face mask from denim & printed fabric as an essential for protection against the dust and virus. Fabric face masks tend to be more comfortable and breathable. They are also reusable and washable. A denim face mask is also reusable and fits properly on the face. The Company is also have face mask with hair band for girls in their products portfolio.

## Denim and Non-Denim Fabrics

Globe Textiles (India) Limited is manufacturing Denim as well as Non-Denim fabrics. The Company is constantly striving to develop new products in order to meet the expectations of the customer with the technology development. The Company is equipped with the top of the line and finest machinery and having manufacturing complying national and international standards.



## Shirting fabric (Printed Linens, Suiting Prints, Dyed Shirting Fabrics)



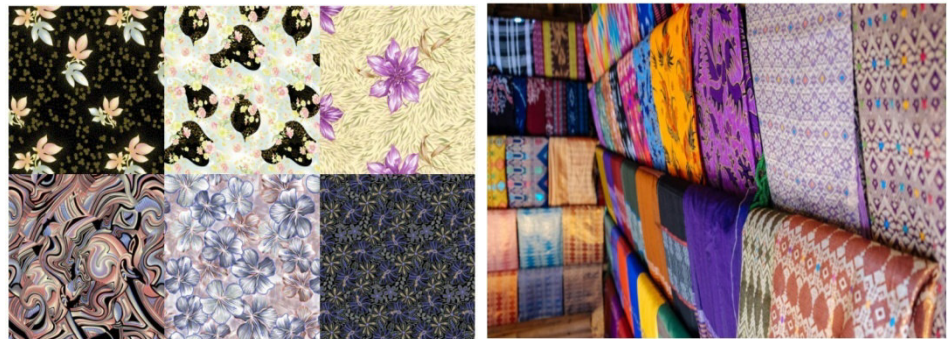
Globe Textiles is one of the finest shirting fabric suppliers in India. Our shirting is one most popular product in the international as well as domestic markets. What gives us an edge over the competition is

our in-house design studio, which keeps abreast of the latest trends in international and domestic apparel markets. Our designers create designs which are in tune with the latest fashion/trends and help us to offer fresh new developed fabrics every season.

At Globe, we are suppliers of Linen Fabrics, in India. 100% quality linen fabrics are supplied from quality yarns and are tested on well-defined parameters before being delivered to our clients. We also meet customized requirement for our client's benefit and offer these at competitive prices.

### Printed fabric (Polyester Print Fabric, Chadri Voile, Cotton Prints, Cotton Dyed)

This bestseller Globe Chadri Voile is highly specialized product available in 44" and 58" in both; voile and lacquer prints. Our high-quality Chadri



Voiles will attract and enamors one and all what with flowers, leaves, petals and other complex object patterns on display, very fashionably.

Exclusively Printed Cotton Fabrics which can be used for a variety of applications are supplied. These printed cottons are both in printed and solids where the fabric is recognized for their attributes like color contrasts, latest designs, smooth looks and vivacious patterns.

### Jeans (Men & Women)



Our hot selling brands AFFORD, INDIGIRL and INDIGEN have made a mark in domestic markets with massive demands coming in from all over India through our online partners like Snapdeal, Flipkart, Voonik and Mr.Voonik. Jeans manufactured by the Company come with a precautionary warning which says- "They are so comfortable there is a risk you won't want to get out of them."

## Yarns

Globe has been one of the key Suppliers of top quality Yarn. In Today's volatile market it is necessary to maintain the highest quality of the yarn in order to maintain high standards, at Globe we believe that nothing comes above the quality of our products. Matching specifications is always a challenge but Globe takes it all in its stride and goes beyond the call to provide expert services from sourcing, developing, and packaging for safe dispatch to global destinations.



## Home Textiles (Bed sheet, comforters, Curtains, Table Linens)



Globe Textiles (India) Limited offers the assortment of bed sets and sheets, bed spreads, flat in cotton and microfiber fitted sheets alongside other furnishings and accessories like curtains, table linen/runner, napkins and tray cloth. We also supply cotton knitted jersey fabric bed sheets,

fitted sheets, pillow covers and duvet covers and also export it to Germany, Israel and other countries. Turn your house into a 'Home Sweet Home' by decorating it with Globe home textiles and furnishings.



## Notice

**NOTICE** is hereby given that the 25<sup>th</sup> (Twenty Fifth) Annual General Meeting of the Shareholders of Globe Textiles (India) Limited will be held on Wednesday, 30<sup>th</sup> September, 2020 at 2.30 p.m. through video conferencing / other audio visual means to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Standalone Financial Statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mrs. Purvi Bhavin Parikh (DIN: 07732523) who retires by rotation and being eligible, offers herself for re-appointment.

### **SPECIAL BUSINESS:**

3. Approval of Loans, Investments, Guarantee of Securities under Section 185 of the Companies Act, 2013

**To consider and if thought fit to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made there under as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (in which any director is deemed to be interested) upto an aggregate sum of ₹ 3 Crores (Rupees Three Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

4. To approve related party transactions to be entered into by the Company with related parties

**To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re enactment thereof for the time being in force) and pursuant to Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof and subject to such other approvals, consents,

permissions and sanctions of any authorities as may be necessary, and also pursuant to the approval of the Audit Committee and the Board of Directors vide resolutions passed / to be passed a their respective meetings, 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 any committee of the Board), to approve all the material related party transactions (including any modifications, alterations or amendments thereto) to be entered into by the Company in the ordinary course of business and on arm’s length basis with related parties and for the maximum amounts per annum for 5 consecutive years as mentioned herein below:

Sr. No.	Nature of the transactions as per section 188 of the Companies Act, 2013.	Name of the Director/ KMP who is related and nature of their relationship	Name of the related Party	Receipts (Rs. In Crore)	Payment (Rs. In Crore)
1	Sale of Goods / Purchase of Goods	Mrs. Purvi Parikh and Mr. Bhavin Parikh are Designated Partners in LLP	Kunthunath Impex LLP	55	75
		Mr. Bhavik Parikh, Mr. Bhavin Parikh & Mr. Nilay Vora are Directors and Shareholders in the Company	Globe Denwash Private Limited	85	95

“RESOLVED FURTHER THAT the transactions may be entered into subject to the compliance of criteria mentioned under Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or a committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transactions with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

**Regd Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
 GIDC Khokhra, Ahmedabad,  
 Gujarat – 380 008  
 Date: 28/08/2020  
 Place: Ahmedabad

*By Order of the Board of Directors  
 For, GLOBE TEXTILES (INDIA) LIMITED*

*Bhavik Suryakant Parikh  
 Chairman & Managing Director  
 (DIN: 00038223)*

**Notes:-**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said circulars, the 25<sup>th</sup> Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per Note no. 15 and available at the Company's website [www.globetextiles.net](http://www.globetextiles.net).
2. Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/ or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice of AGM along with Annual Report 2019-20 is being sent only through

electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at [www.globetextiles.net](http://www.globetextiles.net). The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively.

6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 23<sup>rd</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive) for the purpose of 25<sup>th</sup> Annual General Meeting.
7. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
8. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
9. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. Process and manner for members opting for voting through Electronic means:

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule

20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorized e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

**II.** Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Wednesday, 23<sup>rd</sup> September, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

**III.** A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 23<sup>rd</sup> September, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

**IV.** The remote e-voting will commence on Sunday, 27<sup>th</sup> September, 2020 at 9.00 a.m. and ends on Tuesday, 29<sup>th</sup> September, 2020 at 5.00 p.m. During this period, the members of the Company holding shares as on the Cut-off date i.e. Wednesday, 23<sup>rd</sup> September, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

**V.** Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e. Wednesday, 23<sup>rd</sup> September, 2020.

**VI.** The Company has appointed PCS Jatin H. Kapadia, Practising Company Secretary (Membership No. ACS: 26725; COP No: 12043), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner

11. Process for those shareholders whose email ids are not registered:
  - a. Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant or by email to [cs@globetextiles.net](mailto:cs@globetextiles.net).
12. The instructions for shareholders for remote voting are as under:
  - i. The voting period begins on Sunday, 27<sup>th</sup> September, 2020 at 09.00 a.m. and ends on Tuesday, 29<sup>th</sup> September, 2020 at 5.00 p.m. During this period shareholders of the Company, as on the cut-off date i.e. Wednesday, 23<sup>rd</sup> September, 2020 may cast their vote electronically. The e- voting module shall be disabled by CDSL for voting thereafter.
  - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
  - iii. The shareholders should log on to the e voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iv. Click on Shareholders.
  - v. Now Enter your User ID
    - (a) For CDSL: 16 digits beneficiary ID,
    - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first-time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot/ Attendance Slip indicated in the PAN field. The Sequence Number will be intimated to such member by way of a letter.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.</p> <p><b>Eg</b> If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
<b>Date of Birth</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>OR</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
<b>Dividend Bank Details</b>	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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

x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

xii. Click on the EVSN of the Company – **GLOBE TEXTILES (INDIA) LIMITED** on which you choose to vote.

xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xv. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

xviii. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Shareholders can also cast their vote using CDSL’s mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password.

The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Shareholders can also cast their vote using CDSL's Mobile app M-voting available for android based mobiles. The M-voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

13. The instructions for shareholders voting on the day of the AGM on e-voting system are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.

3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e- voting during the meeting is available only to the members participating in the meeting.

4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

14. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.globotextiles.net](http://www.globotextiles.net) within three days of the passing of the Resolutions at the 25<sup>th</sup> Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

15. Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders'/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN

Connection to mitigate any kind of aforesaid glitches.

5. For ease of conduct, members who would like to ask questions may send their questions in advance at least (7) days before AGM mentioning their name, demat account number/folio number, email id, mobile number at [cs@globetextiles.net](mailto:cs@globetextiles.net) and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

16. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting

System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Regd Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,

Gujarat – 380 008

Date: 28/08/2020

Place: Ahmedabad

***By Order of the Board of Directors  
For, GLOBE TEXTILES (INDIA) LIMITED***

*Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)*

## CONTACT DETAILS

<b>Company</b>	<b>GLOBE TEXTILES (INDIA) LIMITED</b>
<b>CIN</b>	L65910GJ1995PLC027673
<b>Registered Office</b>	Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad - 380008
<b>Phone</b>	079-2293 1881 to 1885
<b>Email</b>	<a href="mailto:cs@globetextiles.net">cs@globetextiles.net</a>
<b>Registrar and Share Transfer Agent</b>	<b>Bigshare Services Private Limited</b> A-802, Samudra Complex, Near Classic Gold Hotel, Off C.G Road, Navrangpura, Ahmedabad – 380009 Phone: 079-40024135 Email : <a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a> Web: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
<b>E-voting Agency</b>	<b>Central Depository Services (India) Limited</b> Email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> Phone: 022-22723333/8588
<b>Scrutinizer</b>	<b>M/s. K. Jatin &amp; Co.,</b> 307, Abhijyot Square, B/h. Divya Bhaskar House, S. G. High-Way, Ahmedabad – 380 051 Tel. No.: 079 – 4894 4655 Mail Id: <a href="mailto:cskjco@gmail.com">cskjco@gmail.com</a> COP: 12043 ACS: 26725

**Regd Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 28/08/2020  
Place: Ahmedabad

*By Order of the Board of Directors  
For, GLOBE TEXTILES (INDIA) LIMITED*

*Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)*



**BRIEF PROFILE OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT  
THE 25<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

(In pursuance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Name of Director</b>	<b>Purvi Bhavin Parikh</b>
<b>DIN</b>	<b>07732523</b>
<b>Date of Birth</b>	13/07/1978
<b>Date of Appointment / Change in Designation</b>	28/02/2017
<b>Qualification</b>	Bachelor of Arts with Economics from Gujarat University having experience of more than 8 years in the field of Textiles Industry
<b>Expertise in Specific functional area</b>	Mrs. Purvi Bhavin Parikh is Non-Executive Non-Independent Director of the Company having more than 8 year of experience in the field of Textiles Industry. She is having profound knowledge of designing the textiles products like voile, denims, shirting etc.
<b>Other Board Membership*</b>	Nil
<b>Committee Membership in other public companies</b>	Nil
<b>Number of Shares held in the Company</b>	8,70,810 Equity Shares
<b>Relationship Between Directors <i>inter se</i></b>	Mr. Bhavin Parikh (CEO/CFO) is Husband

*\*Pvt. Companies excluded*

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Gujarat – 380 008  
Date: 28/08/2020  
Place: Ahmedabad

***By Order of the Board of Directors  
For, GLOBE TEXTILES (INDIA) LIMITED***

*Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)*

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

In conformity with the provisions of Section 102 of the Companies Act, 2013, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No. 4 of the accompanying notice dated 28<sup>th</sup> August, 2020 should be taken as forming part of Notice.

**Item No. 3**

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Deep Group. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities.

The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the entities in the Deep Group. Hence, in order to enable the company to advance loan to Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

None of Directors except, Mr. Bhavik S. Parikh, Mr. Nilay J. Vora, Mr. Bhavin S. Parikh & Mrs. Purvi B. Parikh along with their relatives are interested in the said resolution except to the extent of their Shareholding. The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the Shareholders.

**Item No. 4**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of section 188(1) of the Companies Act, 2013 govern the Related Party Transactions requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain the prior approval of Board of Directors in case of:

1. sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
2. selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
3. leasing of property any kind amounting to ten per cent or more of the turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188
4. availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

Prior approval of Shareholders by way of an Ordinary Resolution must be obtained:

1. Sale, Purchase or supply of goods or material;

2. Leasing of property of any kind;
3. Availing or rendering of any services

In the light of the provisions of the Companies Act, 2013 and (“the Act”) and/or the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements)Regulations, 2015 (“Listing Regulations”), the Board of Directors of your Company has approved the proposed transactions along with annual limit for 5 (Five) consecutive years including financial year 2019-20 that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013) the name of the related parties, name of the Director or Key Managerial Personnel who is related, if any and nature of

**Regd Office:**

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Date: 28/08/2020

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relationship is mentioned in the resolution. The respective transactions may carry out on arm’s Length basis and all factors relevant to the respective transactions may consider by the Board. The Company will seek fresh approval of shareholders under applicable provisions on completion of 5 (five) consecutive years.

None of Directors except, Mr. Bhavik S. Parikh, Mr. Nilay J. Vora, Mr. Bhavin S. Parikh & Mrs. Purvi B. Parikh along with their relatives are interested in the said resolution except to the extent of their Shareholding. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Shareholders.

*By Order of the Board of Directors  
For, GLOBE TEXTILES (INDIA) LIMITED*

*Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)*

## Directors' Report

Dear Members,

Your Directors are pleased to present the 25<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2020.

### **1. Financial Summary and Highlights**

During the year under review, your Company has achieved a total net sale of Rs. 26516.81 lacs and achieved Net Profit after Tax (NP) of Rs. 444.21 lacs. There is significant increase in profit after tax during the current year in comparison to the previous year. Your directors are optimistic about the performance of the Company in the coming years. The financial highlights for the year 2019-20 are as under:

Particulars	(₹ in Lacs)	
	March 31, 2020	March 31, 2019
Revenue from Operations (Net)	26516.81	25737.98
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1354.05	1249.81
<b>Less:</b> Depreciation/ Amortisation/ Impairment	107.02	115.47
Profit before Finance Costs, Exceptional items and Tax Expense	1247.03	1134.34
<b>Less:</b> Finance Costs	669.08	572.76
Profit /loss before Exceptional items and Tax Expense	577.95	561.58
Exceptional items	NIL	NIL
Profit before Tax Expense	577.95	561.58
<b>Less:</b> Tax Expense (Current & Deferred)	133.75	187.63
Profit for the year	444.21	373.96
EPS (Basic)	4.41	3.71
EPS (Diluted)	4.41	3.71

### **2. Dividend**

Your Director feel that it is prudent to plough back the profits of the Company for future growth of the Company and therefore do not recommend any dividend for the year ended March 31, 2020.

### **3. Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

Since there was no unpaid/unclaimed dividend, the provision of Section 125 of the Companies Act, 2013 do not apply.

### **4. Change in the nature of business, if any-**

During the year, there is no change in the nature of business of the Company.

### **5. Reserves**

During the year under review, the Company has not transferred any amount to reserve.

### **6. Subsidiary, Joint Ventures and Associate Companies**

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

### **7. Public Deposit**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of

deposits which are not in compliance with Chapter V of the Act is not applicable.

### **8. Particulars of loan, Guarantees or Investment made under Section 186**

During the year, the Company has given loans and advances covered under the provisions of Section 186 of the Companies Act, 2013. (Please refer Note No. 17 of Financial Statements)

### **9. Extract of the annual return**

The extract of the Annual Return in Form-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure A** with this report and also available on Company's website [www.globetextiles.net](http://www.globetextiles.net).

### **10. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of report.

Due to spread of Novel Corona Virus (COVID-19) Our Plant was closed w.e.f. March 24, 2020 to April 30, 2020 (38 days) due to lockdown. However, we got permission on April 25, 2020 from concerned authorities, subject to fulfillment of certain conditions, partially started the production operations w.e.f. May 01, 2020.

### **11. Management**

#### **I. Composition of Board & Board Meetings**

The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. As on the date of this report, the Board comprises

of 6 (Six) Directors, out of which 2 are Executive Directors and 3 are non-executive Independent Directors and one Woman Director. The Chairman of the Board is an executive Director.

The Board of Directors duly met 5 (five) times on 30/05/2019, 02/09/2019, 25/10/2019, 14/11/2019 and 06/03/2020 during the year. The Composition, category and attendance of each Director at the Board and Annual General Meeting of each Director in various companies is as follows:

Name of Director , Designation and Category	No of Board Meetings held during the year	No of Board Meetings attended during the year
Mr. Bhavik S. Parikh Chairman & Managing Director Promoter Executive	5	5
Mr. Nilaybhai J. Vora Whole-time Director Executive	5	4
Mrs. Purvi Bhavin Parikh Non-Executive Director Non-Independent	5	5
Mr. Yogesh K. Vaidya Non-Executive Director Independent	5	5
Mr. Bharat S. Patel Non-Executive Director Independent	5	4
Mr. Monish Harbans Bhalla Non-Executive Director Independent	5	2

#### **II. Changes in the Board during the year**

During the year under review, there were no changes in Board of Directors.

#### **III. Retirement by Rotation**

In accordance with the provisions of the Companies Act 2013 and Companies Articles of Association, Mrs. Purvi Bhavin Parikh (DIN: 07732523) retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends his re-appointment. Necessary resolution for his re-

appointment is placed before the shareholders for approval.

#### ***IV. Familiarization Program of Independent Directors***

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company endeavours, through presentations at regular intervals, to familiarize the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having a significant impact on the operations of the Company and the industry as a whole. The Independent Directors also meet with senior management team of the Company in informal gatherings. During the year 2019-20, the Company has conducted 6 programs for familiarizing the Directors for a total duration of 6 hours. The Policy on familiarization program for independent directors, role, responsibility and rights of independent directors is uploaded on [www.globetextiles.net](http://www.globetextiles.net).

#### ***V. Profile of Directors seeking appointment / reappointment***

As required under regulation 36(3) of SEBI (LODR), 2015, particulars of the Directors retiring and seeking reappointment at the ensuing Annual General Meeting is annexed to the notice convening 25<sup>th</sup> Annual General Meeting.

#### ***VI. Key Managerial Personnel***

As on the date of this report, the following persons are the Key Managerial Personnel(s) of the Company:

- a) Mr. Bhavik S. Parikh  
Chairman & Managing Director
- b) Mr. Nilaybhai J. Vora,

Whole Time Director

- c) Mr. Bhavin S. Parikh,  
Chief Executive Officer &  
Chief Financial Officer
- d) Mr. Faruk Diwan  
Company Secretary

#### ***VII. Declaration from Independent Director***

All the Independent Directors of the Company have given their declarations stating that they meet the criteria of independence as prescribed under the Section 149(6) of the Companies Act, 2013 read with the rules made there under and in the opinion of the Board, the Independent Directors meet the said criteria.

During the year under review the Independent Directors duly met pursuant to the provisions as specified in Schedule IV of the Companies Act, 2013 and the quorum was present throughout the meeting.

#### ***12. Committees:***

Your Company has three Committees of the Board, namely:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders' Relationship Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in detail as below:

##### ***(i) Audit Committee***

The Audit Committee is duly constituted vide Board Resolution dated May 26, 2017 in accordance with SEBI (LODR) Regulations 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. It adheres to the terms of reference which is prepared in compliance with Section 177 of

the Companies Act, 2013, and SEBI (LODR) Regulations 2015. The constituted Audit Committee comprises following members:

Name Category & Position	Number of meetings held	Number of meetings attended
Mr. Monish Harbans Bhalla Non Executive Independent Director Chairman	4	2
Mr. Yogesh Kanhiyalal Vaidya Non Executive Independent Director Member	4	4
Mr. Bhavik Suryakant Parikh Executive Director Member	4	4

Two third of the members are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors qualifications, compliance with Accounting Standards etc. and oversee compliance with Stock Exchanges and legal requirements concerning financial statements and fixation of audit fee as well as payment for other services etc.

Four Audit Committee meetings were held during the year 2019-20 at the Registered Office of the Company on 30/05/2019, 02/09/2019, 14/11/2019 and 06/03/2020. The Company Secretary acts as Secretary to the Audit Committee and no personnel has been denied access to the Audit Committee.

**(ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is constituted vide Board Resolution dated May 26, 2017 in accordance with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act,

2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee and the Committee Members are:

Name Category & Position	Number of meetings held	Number of meetings attended
Mr. Yogesh Kanhiyalal Vaidya Non Executive Independent Director Chairman	2	2
Mr. Bharat Shamjibhai Patel Non Executive Independent Director Member	2	2
Mr. Monish Harbans Bhalla Non Executive Independent Director Member	2	1

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013 formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key Managerial Personnel and other employees. The said policy is available on the Website of the Company [www.globetextiles.net](http://www.globetextiles.net).

Two meeting was held during the year 2019-20 at the Registered Office of the Company on 30/05/2019 and 02/09/2020.

**(iii) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is constituted vide Board Resolution dated May 26, 2017 in compliance with the requirements of Section 178 of the Companies Act, 2013. Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Name	Category	Position
Mr. Yogesh Kanhiyalal Vaidya	Non Executive Independent Director	Chairman
Mr. Bharat Shamjibhai Patel	Non Executive Independent Director	Member
Mr. Nilaybhai Jagdishbhai Vora	Executive Director	Member

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipts of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints.

One meeting was held during the year 2019-20 on 14/11/2019 and Mr. Yogesh Vidya and Mr. Nilay Vora were present in the meeting.

### **13. Compliance Officer**

The Compliance officer of the Company is Mr. Faruk Diwan, who is also designated as Company Secretary of the Company.

### **14. Statement On Formal Annual Evaluation Of Board**

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees, and of the Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meetings held for various purposes evaluates the performance of all the Directors, committees and the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of board members

and also tries to discharge its duties more effectively. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished

### **15. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and Company's operations in future.

### **16. Auditors**

#### **1. Statutory Auditors**

M/s. Shah Dhandharia & Co. (Firm Registration No. 118707W), Chartered Accountants, the Statutory Auditors of the Company, were appointed at the 24<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019 to hold office for a period of 5 (Five) years i.e. from the conclusion of 24<sup>th</sup> Annual General Meeting (AGM) till the conclusion of 29<sup>th</sup> Annual General Meeting to be held in the year 2023-24 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by M/s. Shah Dhandharia & Co., Chartered Accountants, the Statutory Auditors of the Company, in their report.



## **2. Cost Auditors**

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is not applicable to the Company.

## **3. Secretarial Auditor**

The Board of Directors in their meeting held on 19<sup>th</sup> August, 2020 has taken note of the resignation of M/s. Vishwas Sharma & Associates from Secretarial Auditor and appointed M/s. K. Jatin & Co., Company Secretary, to conduct secretarial audit pursuant to the provisions of Section 204 of the Companies Act, 2013. The secretarial audit of the Company has been conducted on a concurrent basis in respect of the matters as set out in the said rules and Secretarial Audit Report given by M/s. K. Jatin & Co., Company Secretaries, Secretarial Auditor of the Company forms part of this report and is marked as **Annexure-“B”**.

There are no qualifications, reservations or adverse remarks made by M/s. K. Jatin & Co., Secretarial Auditor of the Company, in their report.

## **17. Particulars of Personnel**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Report and marked as **Annexure-“C”**. No employee of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **18. Management's Discussion and Analysis Report**

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) (e) of the

Listing Regulations is given as **Annexure-“D”** to this report.

## **19. Corporate Social Responsibility (CSR)**

The provisions of Corporate Social Responsibility (CSR) are not applicable to the Company.

## **20. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 has been annexed as **Annexure – “E”**.

## **21. Particulars of contracts or arrangements with related parties:**

During the year under review, the Company has entered into any contracts or arrangements with related parties. The particulars of Contracts or Arrangements made with related parties required to be furnished under section 134(3) are disclosed in the prescribed form (**Form AOC-2**) which is attached to this Report as **Annexure- “F”**.

## **22. Statement regarding the development and implementation of Risk Management Policy**

The Company has not developed and implemented any risk management policy as the risk threatening the business activity carried out by the Company during the year are minimal.

## **23. Prevention Of Sexual Harassment At Workplace**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is

responsible for redressal of complaints related to sexual harassment.

Your Directors declared and confirm that, during the year under review, there is no case filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **24. Board Evaluation**

The Board carried out an annual performance evaluation of its own performance, the performance of the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

#### **25. Adequacy of Internal Financial Control**

The Company has designed and implemented a process driven framework for Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134(5)(e) of the Act. For the year ended March 31, 2020, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

During the year, no reportable material weakness was observed.

#### **26. Vigil Mechanism**

The Company believes in the conduct of its affairs in a fair and transparent manner to foster professionalism, honesty, integrity and ethical behaviour in its employees & stakeholders. The Company has adopted a

Whistle Blower Policy as a part of vigil mechanism.

Also, the Code of Business Conduct (Code) lays down important corporate ethical practices that shape the Company's value system and business functions and represents cherished values of the Company.

#### **27. Human resources**

Your company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the company's vision. Your company appreciates the spirit of its dedicated employees.

#### **28. Corporate Governance**

Your Company has been complying with the principals of good Corporate Governance over the years and is committed to the highest standards of compliance. Pursuant to regulation 15(2) of the SEBI (LODR) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of schedule V shall not apply to the listed entity which has listed its specified securities on the SME Exchange.

Therefore, the Corporate Governance Report is not applicable on the Company and therefore not provided by the Board.

#### **29. Independent Directors' Meeting**

The Independent Directors met on March 06, 2020 to discuss the performance evaluation of the Board, Committees, Chairman and the individual Directors.

The Independent Directors reviewed the performance of the non-independent

Directors and Board as a whole. The Performance of the Chairman taking into account the views of Executive Directors and non-executive Directors and assessed the quality, quantity and timeline of flow of inform action between Company management and Board.

### **30. Directors' Responsibility Statement**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

(a) In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period under review.

(c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the 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 had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The directors have devised proper systems to ensure compliance with the provisions of

#### **Regd Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008

Date: 28/08/2020

Place: Ahmedabad

all applicable laws and that such systems were adequate and operating effectively.

### **31. Secretarial Standards**

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

### **32. Listing**

The equity shares of the Company are listed on SME platform of NSE (NSE EMERGE) and the Company has paid the annual listing fees for the year 2020-21.

Further, the Company has applied for Migration from SME Platform to Main Board (Capital Segment) of NSE.

### **33. Acknowledgement:**

Your directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them.

Your directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

***By Order of the Board of Directors  
For, GLOBE TEXTILES (INDIA) LIMITED***

*Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)*

*Annexure-“A”*

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN OF GLOBE TEXTILES (INDIA) LIMITED**

**As on financial year ended on 31.03.2020**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN:	L65910GJ1995PLC027673
2.	Registration Date	04/10/1995
3.	Name of the Company	Globe Textiles (India) Limited
4.	Category / Sub-Category of the Company	Limited by Shares
5.	Address of the Registered Office and Contact Details	Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad, Gujarat – 380 008 Tel. No.079-2293 1881 to 1885 Email: <a href="mailto:info@globetextiles.net">info@globetextiles.net</a>
6.	Whether Listed Company	Yes
7	Name, Address and Contact details of Link Intime India Private Limited, Registrar and Transfer Agent, if any	<b>BIGSHARE SERVICES PVT. LTD.</b> A-802, Samudra Complex, Near Klassic Gold, Girish Cold Drink, C.G. Road, Ahmedabad, Gujarat - 380 009 Tel. No.:079-4002 4135 Email: <a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities Contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1	Manufacture of all types of textile garments and clothing accessories	14101	100

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

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
NIL					

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

##### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoter Group</b>									
(1) Indian									
a) Individual/ HUF	7388100	-	7388100	73.32	7388100	-	7388100	73.32	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>7388100</b>	<b>-</b>	<b>7388100</b>	<b>73.32</b>	<b>7388100</b>	<b>0</b>	<b>7388100</b>	<b>73.32</b>	<b>-</b>
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>7388100</b>	<b>-</b>	<b>7388100</b>	<b>73.32</b>	<b>7388100</b>	<b>0</b>	<b>7388100</b>	<b>73.32</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	68000	-	98000	0.67	68000	-	98000	0.67	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	482000	-	482000	4.78	472000	-	472000	4.78	(0.10)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1726000	-	1726000	17.13	1742000	-	1742000	17.29	0.16
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Non Resident Repatriates	4000	-	4000	0.04	4000	-	4000	0.04	-
ii) Hindu Undivided Family	404000	-	404000	4.01	402000	-	402000	3.99	(0.02)
d) Clearing Members	4000	-	4000	0.04	-	-	-	-	(0.04)
<b>Sub-total (B)(2):-</b>	<b>2688000</b>	-	<b>2688000</b>	<b>26.68</b>	<b>2688000</b>	-	<b>2688000</b>	<b>26.68</b>	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>10076100</b>	-	<b>10076100</b>	<b>100</b>	<b>10076100</b>	-	<b>10076100</b>	<b>100</b>	-

**B) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		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	Bhavin Suryakant Parikh	1741620	17.28	-	1741620	17.28	-	-
2	Bhavik Suryakant Parikh	2358860	23.41	-	2358860	23.41	-	-
3	Jagdishkumar Manilal Vora	79500	0.79	-	79500	0.79	-	-
4	Purvi Bhavin Parikh	870810	8.64	-	870810	8.64	-	-
5	Nilaybhai Jagdishbhai Vora	1204000	11.95	-	1204000	11.95	-	-
6	Suryakant Hiralal Parikh	262500	2.61	-	262500	2.61	-	-
7	Shraddha Bhavik Parikh	870810	8.64	-	870810	8.64	-	-

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2019)	% of total shares of the Company	Date	Increase/Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
1	<b>BHAVIN SURYAKANT PARIKH</b>	1741620	17.28				1741620	17.28
		No changes during the year						
	At the end of the Year (31.03.2020)						1741620	17.28
2	<b>BHAVIK SURYAKANT PARIKH</b>	2358860	23.41				2358860	23.41
		No changes during the year						
	At the end of the Year (31.03.2020)						2358860	23.41
3	<b>JAGDISHKUMAR MANILAL VORA</b>	79500	0.79				79500	0.79
		No changes during the year						
	At the end of the Year (31.03.2020)						79500	0.79
4	<b>PURVI BHAVIN PARIKH</b>	870810	8.64				870810	8.64
		No changes during the year						
	At the end of the Year (31.03.2020)						870810	8.64
5	<b>NILAYBHAI JAGDISHBHAI VORA</b>	1204000	11.95				1204000	11.95
		No changes during the year						

	At the end of the Year (31.03.2020)						1204000	11.95
6	SURYAKANT HIRALAL PARIKH	262500	2.61				262500	2.61
		No changes during the year						
	At the end of the Year (31.03.2020)						262500	2.61
7	SHRADDHA BHAVIK PARIKH	870810	8.64				870810	8.64
		No changes during the year						
	At the end of the Year (31.03.2020)						870810	8.64

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

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2019)	% of total shares of the Company	Date	Increase/Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
1	SHAILESHKUMAR CHUNILAL SHAH	138000	1.37				138000	1.37
		No changes during the year						
	At the end of the Year (31.03.2020)						138000	1.37
2	MANISHABEN S SHAH	130000	1.29				130000	1.29
		No changes during the year						134000
	At the end of the Year (31.03.2020)						134000	1.33
3	DARSHAN SHAILESH SHAH	132000	1.31				132000	1.31
		No changes during the year						
	At the end of the Year (31.03.2020)						132000	1.31
4	PRAVINCHANDRA CHUNILAL SHAH	100000	0.99				100000	0.99
		No changes during the year						
	At the end of the Year (31.03.2020)						100000	0.99
5	PIYUSH MAFATLAL BHANSALI	50000	0.50				50000	0.50
				20/03/2020	10000	Purchase	60000	0.60
				31/03/2020	24000	Purchase	83000	0.83
		At the end of the Year (31.03.2020)						83000
6	PARESH SUBODHCHANDRA SHAH	76000	0.75				76000	0.75
		No changes during the year						
	At the end of the Year (31.03.2020)						76000	0.75
7	RIDDI DEEPBHAI SHAH	66000	0.66				66000	0.66
		No changes during the year						
	At the end of the Year (31.03.2020)						66000	0.66
8	KUNJAN NARENDRAKUMAR VORA	60000	0.60				60000	0.60
		No changes during the year						
	At the end of the Year						60000	0.60



	(31.03.2020)								
9	<b>TPL FINANCE LIMITED</b>	60000	0.60					60000	0.60
		<b>No changes during the year</b>							
	At the end of the Year (31.03.2020)							60000	0.60
10	<b>KRUPA KRUPESH THAKKAR</b>	58000	0.58					58000	0.58
		<b>No changes during the year</b>							
	At the end of the Year (31.03.2020)							58000	0.58

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

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the Year		
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company	
1	<b>BHAVIN SURYAKANT PARIKH</b>								
	At the beginning of the year	2358860	23.41				2358860	23.41	
	Date wise Increase / Decrease in Shareholding during the year	<b>No changes during the year</b>							
	At the end of the year						2358860	23.41	
2	<b>BHAVIN SURYAKANT PARIKH</b>								
	At the beginning of the year	1741620	17.28				1741620	17.28	
	Date wise Increase / Decrease in Shareholding during the year	<b>No changes during the year</b>							
	At the end of the year						1741620	17.28	
3	<b>NILAYBHAI JAGDISHBHAI VORA</b>								
	At the beginning of the year	1204000	11.95				1204000	11.95	
	Date wise Increase / Decrease in Shareholding during the year	<b>No changes during the year</b>							
	At the end of the year	1204000	11.95				1204000	11.95	
4	<b>PURVI BHAVIN PARIKH</b>								
	At the beginning of the year	870810	8.64				870810	8.64	
	Date wise Increase / Decrease in Shareholding during the year	<b>No changes during the year</b>							
	At the end of the year	870810	8.64				870810	8.64	
5	<b>YOGESH VAIDYA KANHIALAL</b>								
	At the beginning of the year	10000	0.10				10000	0.10	

	Date wise Increase / Decrease in Shareholding during the year			<b>No changes during the year</b>				
	At the end of the year	10000	0.10				10000	0.10
<b>6</b>	<b>BHARAT SHAMJIBHAI PATEL</b>							
	At the beginning of the year	-	-				-	-
	Date wise Increase / Decrease in Shareholding during the year			<b>No changes during the year</b>				
	At the end of the year	-	-				-	-
<b>7</b>	<b>MONISH HARBANS BHALLA</b>							
	At the beginning of the year	-	-				-	-
	Date wise Increase / Decrease in Shareholding during the year			<b>No changes during the year</b>				
	At the end of the year	-	-				-	-
<b>8</b>	<b>FARUK HANIFKHAN DIWAN</b>							
	At the beginning of the year	-	-				-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	<b>No changes during the year</b>			-	-
	At the end of the year	-	-				-	-

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	52,42,21,669	2,47,26,191	-	54,89,47,860
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,87,330	1,86,321	-	5,73,651
<b>Total (i+ii+iii)</b>	<b>52,46,08,999</b>	<b>2,49,12,512</b>	<b>-</b>	<b>54,95,21,511</b>
<b>Change in Indebtedness during the financial year</b>				
*Addition	7,50,75,985	-	-	7,50,75,985
* Reduction	-	(1,34,37,097)	-	(1,34,37,097)
<b>Net Change</b>	<b>7,50,75,985</b>	<b>(1,34,37,097)</b>	<b>-</b>	<b>6,16,38,888</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	59,87,28,440	1,13,66,693	-	61,00,95,133
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,56,544	1,08,722	-	10,65,266
<b>Total (i+ii+iii)</b>	<b>59,96,84,984</b>	<b>1,14,75,415</b>	<b>-</b>	<b>61,11,60,399</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Mr. Bhavik Parikh Managing Director (DIN: 00038223)	Mr. Nilay bhai Jagdishbhai Vora Whole-time Director (DIN: 02158990)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	39,67,492	8,60,220	48,27,712
	(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	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>39,67,492</b>	<b>8,60,220</b>	<b>48,27,712</b>
	Ceiling as per the Act			<b>84,00,000</b>

\*Due to inadequacy of Profit for the year 2019-20 & pursuant to Section 197 of the Companies Act, 2013 & Schedule V, the ceiling limit is being calculated amounting to Rs.84 Lacs on the basis of effective capital given in the Part -II of Schedule V.

### B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total
		Mrs. Purvi B. Parikh (DIN: 07732523)	Mr. Yogesh Vaidya (DIN: 00468732)	Mr. Monish Bhalla (DIN: 00221254)	Mr. Bharat Patel (DIN: 00243783)	
1	Independent Directors	-	✓	✓	✓	NIL
	Fee for attending board committee meetings	-	NIL	NIL	NIL	NIL
	Commission	-	NIL	NIL	NIL	NIL
	Others, please specify	-	NIL	NIL	NIL	NIL
	Total (1)	-	NIL	NIL	NIL	-
2	Other Non-Executive Directors	✓	-	-	-	-
	Fee for attending board committee meetings	NIL	-	-	-	-
	Commission	NIL	-	-	-	NIL
	Others, please specify(Salary)	NIL	-	-	-	NIL
	Total (2)	NIL	-	-	-	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	100000/- per meeting	100000/- per meeting	100000/- per meeting	100000/- per meeting	-

**C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CS	CEO & CFO	
		Faruk Diwan	Mr. Bhavin Parikh	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961  (b) Value of perquisites u/s17(2) Income-tax Act,1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	3,56,211	28,92,522	32,48,733
2.	Stock Option		-	-
3.	Sweat Equity		-	-
4.	Commission - as % of profit - Others, specify...		-	-
5.	Others, please specify			
	Total (A)	<b>3,56,211</b>	<b>28,92,522</b>	<b>32,48,733</b>
	Ceiling as per the Act		-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**Regd Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 28/08/2020  
Place: Ahmedabad

*By Order of the Board of Directors*  
**For, GLOBE TEXTILES (INDIA) LIMITED**

*Bhavik Suryakant Parikh*  
*Chairman & Managing Director*  
*(DIN: 00038223)*

**Annexure-“B”**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020

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

To,

**The Members,**

**Globe Textiles (India) Limited**

Ahmedabad, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GLOBE TEXTILES (INDIA) LIMITED** (CIN: L65910GJ1995PLC027673) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2020** according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made there under.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 (now The Depositories Act, 2018) and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (*not applicable to the company during the audit period*)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (*not applicable to the company during the audit period*)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (*not applicable to the company during the audit period*);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*not applicable to the company during the audit period*);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (*not applicable to the company during the audit period*);

We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific applicable Acts, Laws and Regulations to the Company as mentioned hereunder;

- a) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- b) Employees' State Insurance Act, 1948
- c) The Factories Act, 1948
- d) The Minimum Wages Act, 1948, and rules made there under
- e) Payment of Gratuity Act, 1972
- f) Payment of Bonus Act, 1965

We have also examined compliance with the applicable Clauses of the following:

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

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition

of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

**We further report that:**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that:**

During the audit period, no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

**For, K. Jatin & Co.,**  
Company Secretaries  
(UCN: S2017GJ508600)

**Jatinbhai Harishbhai Kapadia**  
Proprietor  
ACS: 26725  
COP No.:12043  
UDIN: A026725B000526831

**Place: Ahmedabad**  
**Date: 28/08/2020**

**Note: This report is to be read with my letter of even date which is annexed as Annexure herewith and forms and integral part of this report.**

**Annexure to Secretarial Audit Report**

To,  
The Members,  
**Globe Textiles (India) Limited**  
Ahmedabad, Gujarat.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company

**For, K. Jatin & Co.,**  
Company Secretaries  
(UCN: S2017GJ508600)

**Jatinbhai Harishbhai Kapadia**  
Proprietor  
ACS: 26725  
COP No.:12043  
UDIN: A026725B000526831

**Place: Ahmedabad**  
**Date: 28/08/2020**



### Annexure-“C”

The ratio of the remuneration of each director to the median employee’s remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr.No.	Requirements	Disclosure	
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	MD	51.61 times
		WTD	9.47 times
II.	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	No increase	
III.	The percentage increase in the median remuneration of employees in the financial year	No increase	
IV.	The number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2020	512	
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year is NIL and there is no increment in the remuneration of Managerial Personnel. Hence, no comparison is provided.	
VI.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	

**Regd Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
 GIDC Khokhra, Ahmedabad,  
 Gujarat – 380 008  
 Date: 28/08/2020  
 Place: Ahmedabad

***By Order of the Board of Directors  
 For, GLOBE TEXTILES (INDIA) LIMITED***

*Bhavik Suryakant Parikh  
 Chairman & Managing Director  
 (DIN: 00038223)*

## Annexure-“D”

### MANAGEMENT’S DISCUSSION AND ANALYSIS

#### Industry Structure and Development

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralised power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India’s textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

The textile industry occupies a unique place in India. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture. Textile Industry is providing one of the most basic needs of people and holds importance; maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country’s economy. Its vast potential for creation of employment opportunities in the agricultural, industrial, organised and decentralised sectors & rural and urban areas, particularly for women and the disadvantaged is noteworthy.

The Company is engaged in the business of manufacturing of Denim and Non Denim Garments, Chadri Voile and Home textiles items. The products we are manufacturing include fascinating range of textiles, apparels and related services through innovation with due care of nature, to nurture itself. Globe product portfolio consists of man-made and natural fiber yarns, fabrics, accessories, home textiles and furnishing and readymade garments.

#### SWOT Analysis:

##### Strength

- Indian Textile Industry is an Independent & Self-Reliant industry.
- Abundant Raw Material availability that helps industry to control costs and reduces the lead-time across the operation.
- Availability of Low Cost and Skilled Manpower provides competitive advantage to industry.
- Availability of large varieties of cotton fiber and has a fast growing synthetic fiber industry.
- India has great advantage in Spinning Sector and has a presence in all process of operation and value chain.
- India is one of the largest exporters of Yarn in international market and contributes around 25% share of the global trade in Cotton Yarn.

- The Apparel Industry is one of largest foreign revenue contributor and holds 12% of the country's total export.
- Industry has large and diversified segments that provide wide variety of products.
- Growing Economy and Potential Domestic and International Market.
- Industry has Manufacturing Flexibility that helps to increase the productivity.

#### **Weakness**

- Indian Textile Industry is highly Fragmented Industry.
- Industry is highly dependent on Cotton.
- Lower Productivity in various segments.
- There is Declining in Mill Segment.
- Lack of Technological Development that affect the productivity and other activities in whole value chain.
- Infrastructural Bottlenecks and Efficiency such as, Transaction Time at Ports and transportation Time.
- Unfavourable labour Laws.
- Lack of Trade Membership, which restrict to tap other potential market.
- Lacking to generate Economies of Scale.
- Higher Indirect Taxes, Power and Interest Rates.

## Opportunities

### Immense growth potential

- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- The sector is expected to reach US\$ 226 billion by FY23.
- Urbanisation is expected to support higher growth due to change in fashion and trends.

### Private sector participation in silk production

- The Central Silk Board sets target for raw silk production and encourages farmers and private players to grow silk.
- To achieve these targets, alliances with the private sector, especially major agro-based industries in pre-cocoon and post-cocoon segments, are being encouraged.

### Proposed FDI in multi-brand retail

- For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers.
- It will also bring in greater investment along the entire value chain – from agricultural production to final manufactured goods.
- With global retail brands assured of a domestic foothold, outsourcing will also rise significantly.

### Union Budget 2020-21

- Under Union Budget 2020-21, the Government has allocated around Rs 3,515 crore (US\$ 502.93 million) to the Ministry of Textiles.
- Rs 223 crore (US\$ 31.91 million) is allocated to Textile Infrastructure.
- Rs 761.90 crore (US\$ 109.01 million) is allocated for A-TUFS.
- Rs 159.08 crore (US\$ 22.76 million) allocated towards schemes for powerloom units.
- Rs 80 crore (US\$ 11.45 million) allocated for scheme targeted towards Integrated Textile Parks.
- The National Handloom Development Programme will get Rs 388.21 crore (US\$ 55.55 million) and the Integrated Processing Development Scheme will get Rs 50 crore (US\$ 7.15 million).

### Retail sector offers growth potential

- With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade as several international players like Marks and Spencer, Guess and Next have entered the Indian market.
- The organised apparel segment is expected to grow at a CAGR of more than 13 per cent over a 10-year period.
- Future Group plans to expand with 80 stores in order to reach the target sales of 80 million units. This would add to their portfolio of 300 stores spread across the country.
- In December 2019, Future Retail Limited (FRL) and Amazon India entered into an agreement under which, FRL's existing infrastructure, product knowledge and brand portfolio will be utilised by Amazon India across its retail network.

### Centers of Excellence (CoE) for research and technical training

- The CoEs are aimed at creating testing and evaluation facilities as well as developing resource centres and training facilities.
- Existing 4 CoEs, BTRA for Geotech, SITRA for Meditech, NITRA for Protech and SASMIRA for Agrotech, would be upgraded in terms of development of incubation centre and support for development of prototypes.
- Fund support would be provided for appointing experts to develop these facilities.

### Foreign investments

- The Government is taking initiatives to attract foreign investment in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France.
- According to the new Draft of the National Textile Policy, the Government is planning to attract foreign investment and creating employment opportunities for 35 million people.
- FDI inflow in textiles sector, inclusive of dyed and printed textile, stood at US\$ 3.41 billion between April 2000 and December 2019.
- In December 2019, online clothing brand, Henry & Smith, raised US\$ 1 million from WEH Ventures and Rukam Capital.
- India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN) as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.

## Government Initiatives



National Textile Policy



Khadi App Store



Saathi Scheme

**Note:** SAATHI - Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries

## Threats

- Worldwide spread of Novel Corona Virus (Covid-19)
- Competition from other developing countries, especially China.
- Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
- Elimination of Quota system will lead to fluctuations in Export Demand.
- Threat for Traditional Market for Power loom and Handloom Products and forcing them for product diversification.
- Geographical disadvantages.
- International labour and Environmental Laws.
- To balance the demand and supply.
- To make balance between price and quality.

## Segment wise Performance

The Company has determined its business as Textiles Trading and Manufacturing. Since there is no other business segment in which the Company operates, there are no other primary reportable segments. For the period under review, the Company has noted the export sales of Rs. 116.30 and domestic Sales of Rs. 144.32 Cr.

## Future Outlook

The textiles and apparel industry can be broadly divided into two segments - yarn and fibre and processed fabrics and apparel. The domestic textiles and apparel market was estimated at US\$ 100 billion in FY19. The textile industry has around 4.5 crore workers including 35.22 lakh handloom workers all over the country. In FY19, growth in private consumption was expected to create strong domestic demand for textiles. # Growth in demand is expected to continue at 12 per cent CAGR to reach US\$ 220 billion by 2025.

India is the world's second largest exporter of textiles and clothing. Increased penetration of organised retail, favourable demographics, and rising income level are likely to drive demand for textiles. Cloth production stood at 63.34 billion square meters in FY20 (till January 2020).

India's textiles and apparel export is expected to increase to US\$ 82.00 billion by 2021 from US\$ 22.95 billion in FY20 (till November 2019).

Rising Government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investment through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS).

In Union Budget 2020-21, the Government has allocated Rs 761.90 crore (US\$ 109.01 million) for Amended Technology Upgradation Fund Scheme (ATUFS). The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)'. The Government announced a special package to boost export by US\$ 31 billion, create one crore job opportunities and attract investment worth Rs 80,000 crore (US\$ 11.93 billion) during 2018-2020. Cumulative FDI (Foreign Direct Investment) inflow in the textiles sector stood at over US\$ 3.44 billion between April 2000 to March 2020. In Union Budget 2020-21, the Government of India has allocated around Rs 3,515 crore (US\$ 502.93 million) to the Ministry of Textiles and Rs 80 crore (US\$ 11.45 million) for the

scheme on Integrated Textile Parks. The Ministry of Textiles has announced Rs 690 crore (US\$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernisation of Indian textile sector. National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs 1,480 crore (US\$ 211.76 million).

The National Handloom Development Programme has been allocated Rs 388.21 crore (US\$ 55.55 million), whereas, the Integrated Processing Development Scheme has received Rs 50 crore (US\$ 7.15 million) in Union Budget 2020-21.

### **Risks & Concerns**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The organised apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

India's textile sector is the second-largest employment generator in the country (after the agriculture sector) and India is the fifthlargest exporter of textiles and apparel in the world. The COVID-19 lockdown has severely damaged this sector, halting operations for nearly two months. Now, as thousands of textile factories across the country try to limp back to normalcy, stakeholders feel more vulnerable than ever before, with many sitting on 'dead stock'—shipments that could not be dispatched due to the pandemic and have lost their market value (since textiles and apparels are season-dependent industries). New items include N-95 masks, technical textiles and synthetic materials. The Government has also allowed the export of non-medical/ non-surgical masks of cotton, silk, wool, polyester and nylon (among other materials), and is currently considering allowing the export of personal protective equipment kits (PPEs), subject to restrictions.

### **Internal Control System and Their Adequacy**

The Company has an adequate internal control system commensurate with its size and the nature of its business in order to achieve efficiency in operation and optimum utilization of resources. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

### **Significant Changes in the Financial Ratio**

There is no significant change in the revenue of the company above 25% in comparison to the last year.

## Financial and Operational Performance

Particulars	March 31, 2020	March 31, 2019
Revenue from Operations (Net)	26516.81	25737.98
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	1354.05	1249.81
<b>Less:</b> Depreciation/ Amortisation/ Impairment	107.02	115.47
Profit before Finance Costs, Exceptional items and Tax Expense	1247.03	1134.34
Less: Finance Costs	669.08	572.76
<b>Profit before Tax Expense</b>	577.95	561.58
Less: Tax Expense (Current & Deferred)	133.75	187.63
<b>Profit for the year</b>	444.21	373.96
EPS (Basic)	4.41	3.71
EPS (Diluted)	4.41	3.71

### Human Resources and Industrial Relations

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

### Cautionary Statement

Statement in this report describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

#### Regd Office:

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 28/08/2020  
Place: Ahmedabad

*By Order of the Board of Directors  
For, GLOBE TEXTILES (INDIA) LIMITED*

*Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)*

## Annexure – E

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

*The information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014*

#### A. CONSERVATION OF ENERGY

##### *I. Steps taken or impact on conservation of energy:*

1. Use of energy highly efficient power equipments.
2. Production activity during the day light as far as possible.
3. Awareness among all workers and staff members to conserve the energy.
4. Maintenance of the machines as per schedule.

##### *II. Steps taken by the Company for utilizing alternate sources of energy:*

1. To achieve the mission “No Plastic” of Government of India, the Company has reduced the usage of packing plastics and also reuses/recycling the plastic wastage.
2. The Company had planned to install solar based electricity but the same couldn't complete due to various reasons.

##### *III. The Capital investment on energy conservation equipments:*

The Capital investment on energy conservation equipments is Nil during the FY 2019-20.

##### *IV. Total energy consumption:*

Power and fuel consumption	2019-20	2018-19
<b>1. Electricity</b>		
(a) Purchased Units KWH	238088	199492
Total Amount (Rs.)*	18,63,720	15,66,820
Rate / Unit (Rs. / KWH)	7.83	7.85
<b>2. Gas</b>		
Quantity (MMBTU)	360.10	260.66
Total Amount (Rs.)	4,17,117	3,03,803
Average Rate (Rs.)	1158.34	1165.51

\*Amount of Power & Fuel Exp. of rented premises are excluded.

#### V. TECHNOLOGY ABSORPTION

##### *I. The efforts made towards technology absorption:*

The Company is continuously making efforts towards to improvement in technology and strengthen to improve the efficacy, productivity and profitability.

##### *II. The benefits derived like product improvement, cost reduction, product development or import substitution:*

Benefits like quality improvements, waste reduction, product diversification; cost reduction etc. has been derived.



**III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

- a. Technology Imported : NIL  
 b. Year of Import : N.A  
 c. Has technology been fully absorbed? : N.A  
 d. If not fully absorbed, areas where this has not taken place, and the reasons : N.A

**IV. The expenditure incurred on Research & Development: Nil**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a) The Company has taken various steps to increase the exports of the products during the year.  
 b) Foreign exchange earnings and outgo during the year:

(₹ in Lakhs)

Sr. No.	Particulars	31/03/2020	31/03/2019
1	Foreign Exchange Earnings	12920.14	12799.99
2	Foreign Exchange Outgo	182.86	92.08

**Regd Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
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 Place: Ahmedabad

*By Order of the Board of Directors  
 For, GLOBE TEXTILES (INDIA) LIMITED*

*Bhavik Suryakant Parikh  
 Chairman & Managing Director  
 (DIN: 000382223)*

**Annexure – F**
**FORM AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of Contracts or arrangements or transactions not at arm's Length basis**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of The Contracts/ Arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	(a)	(b)	(c)	(d)	(e)	(f)	(h)

**2. Details of contracts or arrangements or transactions at Arm's length basis**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ Arrangements/ Transactions	Duration of The Contracts/ Arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:
	(a)	(b)	(c)	(d)	(e)	(f)
1	Kunthunath Impex LLP	Purchase of Goods	On yearly basis with terms of renewal	Paid Rs. 18,28,76,513/- for Purchase of goods	30/05/2019	NIL
		Sale of Goods	On yearly basis with terms of renewal	Received Rs. 12,81,43,012/- for Sale of goods	30/05/2019	NIL
2	Globe Denwash Private Limited	Purchase of Goods	On yearly basis with terms of renewal	Paid Rs. 8,60,70,212/- for Purchase of goods	30/05/2019	Rs. 1,90,39,315
3	Easy Good Service Tax Online Dot Com Private Limited	Availing Services	On yearly basis with terms of renewal	Paid Rs. 1,75,000/- for availing services	30/05/2019	NIL

**Regd Office:**

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 GIDC Khokhra, Ahmedabad,  
 Gujarat – 380 008  
 Date: 28/08/2020  
 Place: Ahmedabad

**By Order of the Board of Directors**  
**For, GLOBE TEXTILES (INDIA) LIMITED**

*Bhavik Suryakant Parikh*  
 Chairman & Managing Director  
 (DIN: 00038223)

## INDEPENDENT AUDITORS' REPORT

### To the Members of Globe Textiles (India) Limited Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of Globe Textiles (India) Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as “Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the profit and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We would like to draw attention to Note 35 to the Standalone Financial Statements which explains the management’s assessment of the impact of lock-down and other restrictions imposed by the Government in the wake of Covid-19 pandemic situation, for which the definitive assessment can be made only in subsequent period as they depend on the circumstances as they evolve.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Procedures Performed / Auditor's Response:
1.	<p><b>Evaluation of pending tax litigations</b></p> <p>The Company has pending litigation for demand in dispute under various tax statutes which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have obtained details of tax litigations under various statutes for the year ended 31<sup>st</sup> March 2020 from the management.</p> <p>We have reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also reviewed the legal precedence and other rulings provided for review by the management in evaluating its position in various matters.</p> <p>We have also reviewed the assumptions made by the management as at 31<sup>st</sup> March 2020 and evaluated whether any change was required on account of information and updates made available during the year.</p>
2.	<p><b>Non-responses of external confirmations request perpetrated pursuant to SA 505</b></p> <p>COVID-19 has impacted the procedure of external confirmation request. Postal facilities were not available in the near-end of the financial year. To combat this, we had sent positive external confirmation requests through electronic modes. However, due to suspension of business activities of many confirming parties, there are fewer confirmations received than anticipated.</p> <p>In such events, in accordance with SA, auditors have to revise the assessed risk of material</p>	<p><b>Principal Audit Procedures</b></p> <p>We revised our assessed risk and have modified our audit procedures to mitigate these risks. We have obtained a reliable assurance pertaining to transactions with confirming parties, in the sense for accurate and complete processing of routine and significant classes of transactions such as revenue, purchases and cash receipts or cash purchases.</p> <p>We selected samples and tested the effectiveness of controls relating to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions.</p> <p>We performed alternative audit procedures like verification of subsequent</p>

	misstatement at the assertion level, and modify the planned audit procedures. SA also directs the auditors to perform alternative audit procedures.	payments and receipts to verify part of the balances appearing in the original confirmation requests.
3.	<p><b>Physical Inventory Verification</b></p> <p>The auditor's responsibility is to ascertain whether the management has satisfactory procedures for physical verification of inventories, so that in the normal circumstances the programme of physical verification will cover all material items of inventories at least once during the year.</p> <p>Due to COVID-19 pandemic and resulting countrywide shutdown, the programme of physical verification of inventories at the year end could not be completed.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included but are not limited to detailed written confirmations of inventories held.</p> <p>We have employed analytical procedures such reconciliation of quantities of opening stock, purchases, consumption and closing stock; comparison of current year gross profit ratio with the gross profit ratio for the previous year; comparison of significant ratios relating to inventories.</p> <p>We have further verified the subsequent consumption / dispatch records of inventories to confirm the year end inventories.</p>

### Other Information

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 Standalone Financial Statements and our report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position,

financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the

Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 32 (c) to the Standalone Financial Statements;
  - ii. the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- 3. With respect to the matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

**For, SHAH DHANDHARIA & CO.**  
Chartered Accountants  
Firm Reg No: 118707W

**Place : Ahmedabad**  
**Date : 09/07/2020**

**Karan Amlani**  
**Partner**  
**Membership No. 193557**  
**UDIN: 20193557AAAABK3130**



**Annexure – A to the Independent Auditor’s Report**

**RE: Globe Textiles (India) Limited**

(Referred to in Paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) As explained to us, property, plant and equipment, according to the practice of the Company, are physically verified by the management at reasonable intervals, in a phased verification program, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business.

(c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the company, except for long term leasehold land and immovable assets constructed on the same having a carrying value of Rs. 10,58,57,333 as at 31<sup>st</sup> March 2020.

(ii) The inventory, other than stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us and representations made by the Management, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company

(iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.

(v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly the provisions of Clause 3 (v) of the Order are not applicable.

(vi) As informed to us, the maintenance of cost records as prescribed by the Central Government under section 148(1) of the act are not applicable to the Company, Accordingly the provisions of paragraph 3 (vi) of the Order are not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, goods and services tax, duty of customs, entry tax, cess and other material statutory dues have generally been deposited regularly during the year

by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues as referred to above were in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no material dues of Provident Fund, Employees State Insurance, goods and services tax, excise duty, duty of customs, entry tax, cess, sales tax / value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of the Dues	Forum Where dispute is pending	Amount (Rs.)*	Amount Paid Under Protest (Rs.)	Period to which the amount Relates
Income Tax Act	Income Tax	Appellate Authority upto Commissioner's Level	7,58,37,629	50,00,000	AY 2006-07, AY 2012-13 to AY 2014-15 & AY 2017-18

(\*) Excluding Interest and Penalty where the notice does not specifies the same.

- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank or financial institution during the year. The company has not borrowed funds from any debenture holders.
- (ix) Based upon the audit procedures performed, the company has not raised moneys by way of initial public offer or further public offer. In our opinion and as per the information and explanations given by the management, the Funds raised through term loans have been applied for the purpose they were raised.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clause 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Standalone Financial

Statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clause 3(xv) of the Order are not applicable.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable.

**For, SHAH DHANDHARIA & CO.**

Chartered Accountants

Firm Reg No: 118707W

**Place : Ahmedabad**

**Date : 09/07/2020**

**Karan Amlani**

**Partner**

**Membership No. 193557**

**UDIN: 20193557AAAABK3130**

## **Annexure – B to the Independent Auditor’s Report**

### **RE: Globe Textiles (India) Limited**

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(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

### **Report on the Internal Financial Controls under Clause i of sub-section 3 of section 143 of the Companies Act 2013 (the Act).**

#### **Opinion**

We have audited the internal financial controls over financial reporting of the Company as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

In our opinion, the company is not having any defined SOP to manage its operations. Accordingly there are some limitations in the control aspects of financial reporting. In our opinion, except for the possible effects of this material weakness, the company has maintained in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March 2020 based on the internal financial controls over financial reporting criteria established by the company considering the essential components of internal financial controls stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

#### **Management’s Responsibilities for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

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

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

**For, SHAH DHANDHARIA & CO.**

Chartered Accountants

Firm Reg No: 118707W

**Place : Ahmedabad**

**Date : 09/07/2020**

**Karan Amlani**

**Partner**

**Membership No. 193557**

**UDIN: 20193557AAAABK3130**

Standalone Balance sheet as at 31<sup>st</sup> March, 2020

PARTICULARS		NOTE	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
<b>I EQUITY AND LIABILITIES</b>						
<b>(1) SHAREHOLDERS' FUNDS</b>						
	(a) Share Capital	3	10,07,61,000		10,07,61,000	
	(b) Reserves & Surplus	4	33,00,43,662		28,56,22,457	
	(c) Money Received Against Share Warrants		-		-	
				<b>43,08,04,662</b>		<b>38,63,83,457</b>
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT (NON REFUNDABLE)</b>						
			-		-	
<b>(3) NON-CURRENT LIABILITIES</b>						
	(a) Long-term borrowings	5	2,58,86,323		5,14,67,577	
	(b) Deferred Tax Liabilities (Net)	6	67,80,285		72,82,748	
	(c) Other Long-term Liabilities		-		-	
	(d) Long-term provisions	7	72,23,436		55,06,476	
				<b>3,98,90,044</b>		<b>6,42,56,801</b>
<b>(4) CURRENT LIABILITIES</b>						
	(a) Short-term borrowings	8	55,96,50,194		45,61,68,052	
	(b) Trade Payables	9	65,39,43,147		31,28,85,402	
	(c) Other current liabilities	10	15,39,99,623		14,79,21,039	
	(d) Short-term provisions	11	1,86,22,540		2,09,35,800	
				<b>1,38,62,15,504</b>		<b>93,79,10,293</b>
<b>TOTAL</b>				<b>1,85,69,10,210</b>		<b>1,38,85,50,551</b>
<b>II ASSETS</b>						
<b>(1) NON CURRENT ASSETS</b>						
	(a) Property, Plant and Equipment					
	(i) Tangible assets	12	18,92,04,759		19,70,86,347	
	(ii) Intangible assets	12	-		1,51,096	
	(iii) Capital work-in-progress		-		-	
	(b) Non-current investments		-		-	
	(c) Long-term loans and advances	13	2,38,62,427		1,21,10,816	
	(d) Other non-current assets		-		-	
				<b>21,30,67,186</b>		<b>20,93,48,259</b>
<b>(2) CURRENT ASSETS</b>						
	(a) Current Investments		-		-	
	(b) Inventories	14	58,97,90,935		48,31,38,548	
	(c) Trade receivables	15	96,74,03,469		61,19,95,583	
	(d) Cash & Bank Balances	16	16,77,181		25,44,927	
	(e) Short-term loans & advances	17	7,76,31,012		7,43,61,506	
	(f) Other current assets	18	73,40,427		71,61,728	
				<b>1,64,38,43,024</b>		<b>1,17,92,02,292</b>
<b>TOTAL</b>				<b>1,85,69,10,210</b>		<b>1,38,85,50,551</b>
<b>Summary of Significant Accounting Policies</b>		2				

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

**For, SHAH DHANDHARIA & CO.**

Chartered Accountants

Firm Reg. No. - 118707W

Sd/-

**Karan Amlani**

(Partner)

Membership No. 193557

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

Sd/-

**Bhavik Parikh**

Managing Director

DIN : 00038223

Sd/-

**Nilay Vora**

Director

DIN : 02158990

Sd/-

**Faruk Diwan**

Company Secretary

Sd/-

**Bhavin Parikh**

CFO

Place : Ahmedabad

Date: 09/07/2020

## Standalone Statement for Profit and Loss for the year ended on 31<sup>st</sup> March, 2020

PARTICULARS		NOTE	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
I	<b>Revenue from Operation</b>	19	2,65,16,80,831	2,57,37,98,263
II	<b>Other Income</b>	20	1,87,77,088	75,70,251
III	<b>Total Revenue (I + II)</b>		<b><u>2,67,04,57,919</u></b>	<b><u>2,58,13,68,513</u></b>
IV	<b>Expenses</b>			
	Cost of Materials consumed	21	1,11,41,74,024	1,69,07,59,199
	Purchases of Stock-in-Trade	22	1,30,10,78,739	65,86,29,881
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	23	(3,37,39,134)	(9,72,95,966)
	Employee benefits expense	24	8,68,34,640	8,57,02,030
	Finance costs	25	6,69,07,991	5,72,75,587
	Depreciation and amortization expense	12	1,07,01,531	1,15,46,837
	Other expenses	26	6,67,04,382	11,85,91,915
	<b>Total Expenses</b>		<b><u>2,61,26,62,173</u></b>	<b><u>2,52,52,09,484</u></b>
V	<b>Profit for the year before Exceptional and extraordinary items and tax (III-IV)</b>		<b>5,77,95,746</b>	<b>5,61,59,030</b>
VI	Less : Exceptional items		-	-
VII	<b>Profit for the year before extraordinary items and tax (V-VI)</b>		<b>5,77,95,746</b>	<b>5,61,59,030</b>
VIII	Add/(Less) : Extraordinary items		-	-
IX	<b>Profit for the year before taxation (VII-VIII)</b>		<b>5,77,95,746</b>	<b>5,61,59,030</b>
X	<b>Tax Expense</b>	27	1,33,74,541	1,87,63,407
XI	<b>Profit (Loss) for the year (IX-X)</b>		<b><u>4,44,21,205</u></b>	<b><u>3,73,95,623</u></b>
XII	<b>Earning per Equity Share of Rs. 10 Each</b> - Basic & Diluted	28	<b>4.41</b>	<b>3.71</b>
	<b>Summary of Significant Accounting Policies</b>	2		
<p>The accompanying notes are an integral part of the financial statements.            As per our attached report of even date  <b>For, SHAH DHANDHARIA &amp; CO.</b>            Chartered Accountants            Firm Reg. No. – 118707W  <b>Sd/-</b>  <b>Karan Amlani</b>  <b>(Partner)</b>            Membership No. 193557</p>				
<p style="text-align: center;"><b>Sd/</b>  <b>Bhavik Parikh</b>            Managing Director            DIN : 00038223</p>				
<p style="text-align: center;"><b>Sd/-</b>  <b>Nilay Vora</b>            Director            DIN : 02158990</p>				
<p style="text-align: center;"><b>Sd/-</b>  <b>Faruk Diwan</b>            Company Secretary</p>				
<p style="text-align: center;"><b>Sd/-</b>  <b>Bhavin Parikh</b>            CFO</p>				
<p><b>Place: Ahmedabad</b>  <b>Date: 09/07/2020</b></p>				



## Standalone Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2020

PARTICULARS	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Profit before tax from continuing operations	5,77,95,746		5,61,59,030	
Profit before tax		<b>56,159,030</b>		<b>5,61,59,030</b>
<i>Adjustment on account of:</i>				
Depreciation and amortization	1,07,01,531		1,15,46,837	
Net unrealized exchange (gain) / loss	(1,58,66,403)		49,82,154	
Liabilities no longer required	(12,39,191)		-	
Loss on sale of Property, Plant and Equipment	(12,74,992)		2,39,047	
Interest Subsidy Income	-		(23,99,731)	
Interest Expense	6,69,07,991		5,79,39,637	
Interest Income	(3,26,291)		(40,127)	
Other non-operating income	-		(7,080)	
		<b>5,89,02,644</b>		<b>7,22,60,737</b>
<b>Operating profit / (loss) before working capital changes</b>		<b>11,66,98,391</b>		<b>12,84,19,767</b>
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(10,66,52,387)		(4,97,34,046)	
Trade receivables	(33,95,41,483)		(15,81,87,844)	
Short-term loans and advances	(32,69,507)		10,19,99,139	
Other current assets	14,686		38,41,643	
Long-term loans and advances	-		-	
		<b>(44,94,48,691)</b>		<b>(10,20,81,108)</b>
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	34,22,96,936		4,88,94,481	
Other current liabilities	55,86,969		3,20,46,796	
Short-term provisions	17,67,093		14,98,580	
Long-term provisions	17,16,960		19,36,751	
		<b>35,13,67,958</b>		<b>8,43,76,608</b>
<b>Cash generated from / (used in) operations</b>		<b>1,86,17,658</b>		<b>11,07,15,267</b>
Net income tax (paid) / refunds		(1,96,42,888)		(88,68,990)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(10,25,230)</b>		<b>101846278</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on Property, Plant and Equipment, including capital advances & CWIP	(13,93,855)		(4,54,290)	
Interest received	1,32,906		40,127	
Loans & Advances given	(1,00,66,080)		(34,77,429)	
Non operating income	-		7,080	
		<b>(1,13,27,029)</b>		<b>(38,84,512)</b>
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(1,13,27,029)</b>		<b>(38,84,512)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-		-	
Proceeds from long-term borrowings	-		59,62,384	
Repayment of long-term borrowings	(2,55,81,254)		-	
Proceeds from subsidy	-		-	
Proceeds from/Repayment of Short-term borrowings	10,34,82,142		(7,09,89,760)	
Interest Subsidy Received	-		23,99,731	
Interest Paid	(6,64,16,376)		(5,79,39,637)	
		<b>1,14,84,513</b>		<b>(12,05,67,282)</b>
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>1,14,84,513</b>		<b>(12,05,67,282)</b>

<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(8,67,746)</b>		<b>(2,26,05,516)</b>
Cash and cash equivalents at the beginning of the year		25,44,927		2,51,50,444
<b>Cash and cash equivalents at the end of the year</b>		<b>16,77,180</b>		<b>25,44,927</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 16)		16,77,181		25,44,927
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-		-
Net Cash and cash equivalents included in Note 16		<b>16,77,181</b>		<b>25,44,927</b>
Add: Current investments considered as part of Cash and cash equivalents		-		-
<b>Cash and cash equivalents at the end of the year *</b>		<b>16,77,181</b>		<b>25,44,927</b>
* Comprises:				
(a) Cash on hand		12,25,074		23,60,705
(b) Balances with banks				
(i) In current accounts		4,52,107		1,84,222
(ii) In EEFC accounts		-		-
		<b>16,77,181</b>		<b>25,44,927</b>

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.  
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

As per our attached report of even date

**For, SHAH DHANDHARIA & CO.**

Chartered Accountants

Firm Reg. No. – 118707W

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

Sd/-

**Karan Amlani**  
(Partner)

Membership No. 193557

Sd/-

**Bhavik Parikh**  
Managing Director  
DIN: 0038223

Sd/-

**Nilay Vora**  
Director  
DIN: 02158990

Place: Ahmedabad

Date: 09/07/2020

Sd/-

**Faruk Diwan**  
Company Secretary

Sd/-

**Bhavin Parikh**  
CFO

## Notes forming part of the Financial Statements for the year ended 31st March, 2019

### Note 1 CORPORATE INFORMATION

Globe Textiles (India) Limited having CIN: L65910GJ1995PLC027673 originally incorporated as a private limited company under the provisions of the Companies Act, 1956 and is domiciled in India. The company is based in Ahmedabad and is primarily involved in trading and manufacturing of textile products.

### Note 2 SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION AND PRESENTATION OF THE ACCOUNTS:

#### a) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (“the 2013 Act”) read with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under historical cost convention and going concern basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b) USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on Management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### c) CURRENT & NON-CURRENT CLASSIFICATION

All the 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 Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

**d) INVENTORIES**

Inventories include Raw Materials and Traded/ Finished Goods and the same are valued at lower of cost and net realisable value. Cost is determined based on First In First Out (FIFO Basis).

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**e) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)**

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

**f) CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**g) PRIOR PERIOD ITEMS**

All identifiable items of Income and Expenditure pertaining to prior period are accounted through “Prior Period Expenses Account”

**h) DEPRECIATION**

Depreciation of property, plant and equipment is provided on Straight Line Method at rates and in the manner specified in Schedule II of the Companies Act 2013.

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Intangible Assets in the form of Software which are an integral part of Computer Systems are amortized at the same rate as that of Computer Systems. Intangible Assets in the form of Mine Development are amortized over a period of underlying contract.

**i) REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with reasonable certainty of its recovery.

i) Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax/ value added tax.

ii) Interest revenues are recognized on time proportion basis taking into account the

amount outstanding and the rate applicable.

iii) Govt. Incentives are recognized based on the claim filed by the company and certainty of receipt for the same as determined by the management.

#### **j) PROPERTY, PLANT AND EQUIPMENT**

(I) Property, Plant and Equipment are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, import duty and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition / construction of assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(II) Tangible assets not ready for the intended use on the date of Balance sheet are disclosed as "Capital work-in-progress".

(III) Any capital expenditure in respect of assets, the ownership of which would not vest with the Company, is charged off to revenue in the year of incurrence.

#### **k) FOREIGN CURRENCY TRANSACTIONS**

##### **i) Initial Recognition and measurement**

Foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount at the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **ii) Subsequent Measurement**

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates prevailing on the balance sheet date. The resultant exchange differences are recognised in the statement of profit and loss for the year.

##### **iii) Exchange Differences**

All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Statement of Profit and Loss.

##### **iv) Forward Exchange Contracts**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The use of such foreign currency forward contracts is governed by the Company's policies approved by the management, which provide principles on use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

In respect of transactions covered by forward exchange contracts, the difference between the year end rate and the exchange rate at the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contracts.

## l) INVESTMENTS

i) Long-term Investments are stated at cost. Provision for diminution in the value of long-term Investments is made only if such a decline is other than temporary in the opinion of the management.

ii) Current investment are carried at the lower of cost and quoted/fair value, computed category wise.

## m) EMPLOYEE BENEFITS

Employee benefits includes gratuity, compensated absences and contribution to provident fund & employees' state insurance.

### Short Term Employee Benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employees benefits and are recognised in the period in which the employee renders the related service.

### Post Employment Benefits

#### i) Defined Benefit Plan

The employees' gratuity scheme is a defined benefit scheme. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on actuarial valuations, carried out by an independent actuary, using the Projected Unit Credit method. The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India ('LIC'). Actuarial gains and losses are recognised in the Statement of Profit and Loss.

#### ii) Defined Contribution Plans

Contribution to the provident fund and superannuation scheme which are defined contribution schemes are charged to the statement of Profit and Loss as they are incurred.

#### iii) Long-term Employee Benefits

Long term employee benefits comprise of compensated absences. However the company do not have any policy to carry forward the unutilised leaves.

iv) **Other Employee Benefits:** Other Employee Benefits are accounted for on accrual basis.

v) For the purpose of presentation of Defined benefit plans, the allocation between short term and long term provisions has been made as determined by an actuary.

**n) BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

**o) SEGMENT ACCOUNTING**

In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006 (as amended), the company has determined its business segment as Textile Trading and Manufacturing. Since, there are no other business segments in which the company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as reflected in the financial statements.

**p) RELATED PARTY TRANSACTIONS**

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party disclosures" has been set out in a separate note forming part of this schedule. Related Parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representation made by key managerial personnel and information available with the Company.

**q) LEASES**

The Company's significant leasing arrangements are in respect of operating leases for office premises & godown. The leasing arrangements ranging between 11 months and five years are generally cancelable, however are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent including lease rentals.

**r) EARNING PER SHARE**

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 prescribed under The Companies Accounting Standards Rules, 2006. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

**s) TAXES ON INCOME**

**i) Deferred Taxation**

In accordance with the Accounting Standard 22 – Accounting for Taxes on Income, prescribed under The Companies Accounting Standards Rules, 2006, the deferred tax for timing differences between the book and tax profits for the year is accounted for by using the tax rates and laws that have been enacted or substantively enacted as of the Balance

Sheet Date.

Deferred tax assets arising from timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

**ii) Current Taxation**

Provision for taxation has been made in accordance with the income tax laws prevailing for the relevant assessment years.

**t) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurements are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**u) ACCOUNTING OF CLAIMS**

i) Claims received are accounted at the time of lodgment depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

ii) Claims raised by Government authorities regarding taxes and duties, which are disputed by the Company, are accounted based on legality of each claim. Adjustments, if any, are made in the year in which disputes are finally settled.

**v) EXPORT INCENTIVES**

Export benefits under various scheme announced by the Central Government under Exim policies are accounted for in the year of receipt.

Though other Accounting Standards also apply to the Company by virtue of the Companies Accounting Standards Rules, 2006, no disclosure for the same is being made as the Company has not done any transaction to which the said accounting standards apply.



**Note 3 SHARE CAPITAL**

PARTICULARS	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
<b>AUTHORISED SHARES</b> Equity Shares of Re. 10/- each	11,000,000	110,000,000	11,000,000	110,000,000
	<b>11,000,000</b>	<b>110,000,000</b>	<b>11,000,000</b>	<b>110,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID-UP SHARES</b> Equity Share of Rs. 10/- each Fully paid	10,076,100	100,761,000	10,076,100	100,761,000
<b>(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
At the beginning of the Year	10,076,100	100,761,000	8,708,100	87,081,000
Add : Issued during the Year	-	-	1,368,000	13,680,000
At the end of the Year	10,076,100	100,761,000	10,076,100	100,761,000
	<b>10,076,100</b>	<b>100,761,000</b>	<b>10,076,100</b>	<b>100,761,000</b>

**(b) Terms/ Rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value of Rs 10/- per share and each holder of the Equity Shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.

**(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**  
– NIL

**(d) Bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.**

PARTICULARS	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Equity Shares allotted as fully paid Bonus Shares	-	-

(e) Details of shareholders holding more than 5% shares in the company

NAME OF SHAREHOLDER	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	No. of Shares	%	No. of Shares	%
Nilaybhai J. Vora	1,204,000	11.95	1,204,000	11.95
Bhavik S. Parikh	2,358,860	23.41	2,358,860	23.41
Bhavin S. Parikh	1,741,620	17.28	1,741,620	17.28
Shraddha B. Parikh	870,810	8.64	870,810	8.64
Purvi B. Parikh	870,810	8.64	870,810	8.64

**Note 4 RESERVES & SURPLUS**

Sr. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
1	<b>SECURITIES PREMIUM RESERVE</b> As per last balance sheet Add : Premium on shares Issued during the Year Less: Share issue expense Less: Issue of Bonus Shares	86252,584 - - -	<b>86,252,584</b>	8,62,52,584 - - -	<b>8,62,52,584</b>
2	<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS</b> As per last balance sheet Add : Profit for the Year	19,93,69,873 4,44,21,205	<b>24,37,91,078</b>	16,19,74,685 5,61,58,595	<b>21,81,33,280</b>
			<b>33,00,43,662</b>		<b>30,43,85,864</b>

**Note 5 LONG TERM BORROWINGS**

Sr. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	<b>Term Loans</b> <b>(a) Secured</b> (i) From Bank TLS (ii) From NBFC	74,09,121 1,28,60,561	1,83,41,616 1,81,96,331
2	<b>Vehicle Loan</b> <b>(a) Secured</b> (i) From bank VLS	17,17,036	34,33,286
3	<b>Other Loans</b> Loan From NBFC (unsecured)	38,99,605	1,14,96,344
		<b>2,58,86,323</b>	<b>5,14,67,577</b>

**Notes:**

- a) Vehicle Loan is of Rs 78,41,000/- repayable in 60 equal monthly installments of Rs. 1,60,908/- each including interest, from 5th March, 2017. The loan is secured by hypothecation of vehicle of the company.
- b) The term loan is to be repaid by 48 equal monthly installments of each Rs 6,56,682, Rs. 4,61,106, Rs. 6,14,648 & Rs. 2,12,206 respectively. The monthly interest charged in account, during the moratorium and repayment period, will be serviced separately. The loan is secured by hypothecation of all movable and immovable assets located at the SEZ Unit of the company. The loan carries an interest rate of Base Rate + 1.50%.
- c) Due to outbreak of COVID-19 globally and in India, Company has availed three months of moratorium in repayment of certain term loan.
- d) The loan from bank is further secured by collateral securities given in the form of Equitable mortgage of Residential Flat held by Mrs. Shardhhaben B. Parikh & the additional Equitable Mortgage of Immovable Property held by The Company named "Aditya Green City Private Limited".

**e) Details of Loans from NBFC:**

PARTICULARS	Amount Of Installments	No. Of Monthly Installments	Rate Of Interest
Capital First Limited	1,83,705	First 12 Installments	18.00 % p.a
	1,10,223	Subsequent 10 Installments	
	73,482	Subsequent 2 Installments	
Kotak Mahindra Bank (Unsecured Loan)	3,01,646	First 8 Installments	16.00 % p.a
	2,49,500	Subsequent 8 Installments	
	1,74,700	Subsequent 8 Installments	
Magma Fincorp Ltd.(Unsecured Loan)	2,63,631	First 8 Installments	18.11 % p.a
	2,05,046	Subsequent 8 Installments	
	1,17,169	Subsequent 8 Installments	
Shriram City Union Finance Ltd ( Unsecured Loan)	2,62,368	First 8 Installments	16.00 % p.a
	2,33,320	Subsequent 8 Installments	
	87,612	Subsequent 8 Installments	
India Infoline Finance Ltd (Unsecured Loan)	2,18,190	First 8 Installments	15.00 % p.a
	1,52,733	Subsequent 8 Installments	
	65,457	Subsequent 8 Installments	
Mas Financial Services Ltd	1,54,010	48 Installments	13.25 % p.a
Mas Financial Services Ltd	6,16,040	48 Installments	13.25 % p.a

**Note 6 DEFERRED TAX**

a)

PARTICULARS	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
<b>Deferred Tax Liability</b>				
- Depreciation	98,98,377		99,11,907	
Gross Deferred Tax Liability		98,98,377		99,11,907
<b>Deferred Tax Asset</b>				
- Gratuity	24,85,969		22,10,849	
- Bonus	6,32,122		4,18,310	
Gross Deferred Tax Asset		31,18,091		26,29,159
<b>Net Deferred Tax Liability</b>		<b>67,80,285</b>		<b>72,82,748</b>

b) In accordance with “Accounting Standard 22”, the Deferred Tax Asset of Rs. 4,63,177/- (Previous year deferred tax liability Rs. 8,29,737/-) for the year has been recognized in the Statement of Profit & Loss.

**Note 7 LONG TERM PROVISIONS**

PARTICULARS	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
(a) Provision for Gratuity – LT	72,23,436	55,06,476

**Note 8 SHORT TERM BORROWINGS**

Sr. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	<b>Loan repayable on demand</b>		
	(a) Secured		
	(i) from banks STS	55,96,42,252	45,52,83,250
2	<b>Loans and advances from related parties</b>		
	(a) Unsecured (Ref. Note 29) RPT	7942	8,84,802
		<b>55,96,50,194</b>	<b>45,61,68,052</b>

- a) Secured Loan from bank includes cash credit and packing credit. It is secured against all trade receivables and stock. Cash credit and packing credit are repayable on demand and carry interest @ Base Rate + 1.75% and Base Rate + 0.25% respectively.
- b) For details of Security Given Refer Note-5
- c) Unsecured loan from shareholders and their relatives are interest free and are repayable on demand.

**Note 9 TRADE PAYABLES**

PARTICULARS	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
(a) Acceptances	-	-
(b) Others Trade Payables		1,10,936
(i) Total outstanding dues to Micro, Small & Medium Enterprise	4,98,954	
(ii) Total outstanding dues to other than Micro, Small & Medium Enterprise	65,34,44,193	31,28,13,402
	<b>65,39,43,147</b>	<b>31,28,85,402</b>

- a) Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below.

PARTICULARS	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
Principal amount remaining unpaid to any supplier as at the year end.	4,98,954	1,10,936
Interest due thereon	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the Financial statement as at 31<sup>st</sup> March, 2020 based on the information received and available with the entities of company. On the basis of such information, no interest is payable to any micro, small and medium enterprises.

**Note 10 OTHER CURRENT LIABILITIES**

PARTICULARS	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
(a) Advances from Debtors	4,28,62,053	1,80,30,172
(b) Statutory Liabilities (TDS, PF, VAT, PT etc)	10,42,739	13,89,870
(c) Current maturities of long term borrowings (Note 5)	2,45,58,615	4,13,12,230
(d) Interest accrued but not due on borrowings	10,65,266	5,73,651
(e) Agent Commission Payable	8,44,70,950	8,64,90,565
<b>(f) Other payables</b>		
- Security Deposit	-	1,24,550
	<b>15,39,99,623</b>	<b>14,79,21,039</b>

**Note 11      SHORT TERM PROVISIONS**

PARTICULARS	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
(a) Provision for Bonus	24,31,239	13,53,755
(b) Provision for Tax	1,38,53,317	1,79,33,670
(c) Provision for Gratuity –ST	3,55,551	-
(d) Provision for Leave Encashment	19,82,433	16,48,375
	<b>1,86,22,540</b>	<b>2,09,35,800</b>

**Note 12 PROPERTY, PLANT AND EQUIPMENT**

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As At 01-04-2019	Additions during the year	Deductions during the year	As At 31-03-2020	Upto 01-04-2019	Provided for the year	Deductions during the year	As At 31-03-2020	As At 31-03-2020
	Tangible Assets									
1	Land	4,60,23,418	-	-	4,60,23,418	-	-	-	-	4,60,23,418
		4,60,23,418	-	-	4,60,23,418	-	-	-	-	4,60,23,418
2	Building	7,00,22,522	-	-	7,00,22,522	78,17,884	22,20,961	-	1,00,38,845	5,99,83,677
		7,00,22,522	-	-	7,00,22,522	56,02,991	22,14,893	-	78,17,884	6,22,04,638
3	Office Equipments	36,82,437	2,14,350	50,848	38,45,939	22,99,786	6,16,243	529	29,15,500	9,30,439
		34,44,712	2,37,725	-	36,82,437	16,66,796	6,32,989	-	22,99,786	13,82,651
4	Furniture & Fixtures	54,41,675	1,01,463	-	55,43,138	17,91,780	5,27,968	-	23,19,748	32,23,390
		54,07,132	34,543	-	54,41,675	12,75,763	5,16,017	-	17,91,780	36,49,895
5	Computer Equipments	26,15,825	3,16,545	-	29,32,370	20,88,621	2,13,995	-	23,02,616	6,29,754
		24,29,803	1,86,022	-	26,15,825	16,13,358	4,75,263	-	20,88,621	5,27,204
6	Vehicles	1,15,14,682	-	-	1,15,14,682	42,94,148	12,12,670	-	55,06,818	60,07,864
		1,31,16,401	-	16,01,719	1,15,14,682	41,34,823	13,99,560	12,40,235	42,94,148	72,20,534
7	Plant & Machinery	9,20,32,819	63,35,889	51,89,064	9,31,79,644	1,59,54,811	57,58,598	9,39,983	2,07,73,426	7,24,06,218
		9,19,47,258	3,04,000	2,18,439	9,20,32,819	1,01,15,324	58,72,363	32,876	1,59,54,811	7,60,78,008
	<b>Total</b>	<b>23,13,33,378</b>	<b>69,68,247</b>	<b>52,39,912</b>	<b>23,30,61,713</b>	<b>3,42,47,031</b>	<b>1,05,50,435</b>	<b>9,40,512</b>	<b>4,38,56,954</b>	<b>18,92,04,759</b>
	<b>Previous Year</b>	<b>23,23,91,246</b>	<b>7,62,290</b>	<b>18,20,158</b>	<b>23,13,33,378</b>	<b>2,44,09,055</b>	<b>1,11,11,087</b>	<b>12,73,111</b>	<b>3,42,47,031</b>	<b>19,70,86,347</b>

Sr. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As At 01-04-2019	Additions during the year	Deductions during the year	As At 31-03-2020	Upto 01-04-2019	Provided for the year	Deductions during the year	As At 31-03-2020	As At 31-03-2020
	Intangible Assets									
1	Software	13,07,245	-	-	13,07,245	11,56,149	1,51,096	-	13,07,245	-
		13,07,245	-	-	13,07,245	7,20,399	4,35,750	-	11,56,149	1,51,096
	<b>Total</b>	<b>13,07,245</b>	<b>-</b>	<b>-</b>	<b>13,07,245</b>	<b>11,56,149</b>	<b>1,51,096</b>	<b>-</b>	<b>13,07,245</b>	<b>-</b>
	<b>Previous Year</b>	<b>13,07,245</b>	<b>-</b>	<b>-</b>	<b>13,07,245</b>	<b>7,20,399</b>	<b>4,35,750</b>	<b>-</b>	<b>11,56,149</b>	<b>1,51,096</b>

**Note 13 LONG TERM LOANS AND ADVANCES (Unsecured, considered good)**

Sr. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	Security Deposits	45,68,700	45,68,700
2	Margin Deposit (lien against LC Facility)	1,00,00,000	-
3	Balance with Government Authorities Advance Payment of Income Tax (Including TDS)	92,27,647	75,42,116
4	Interset Accured But not Due	54,380	-
		<b>2,38,62,427</b>	<b>1,21,10,816</b>

**Note 14 INVENTORIES (Valued at lower of cost and net realizable value)**

PARTICULARS	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
(i) Raw Materials	14,38,78,385	7,09,65,132
(ii) Finished goods	44,59,12,550	41,21,73,416
	<b>58,97,90,935</b>	<b>48,31,38,548</b>

All inventories are given as security for short-term bank borrowings.

**Note 15 TRADE RECEIVABLES**

Sr. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	Receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	89,89,26,632	56,57,90,724
2	Receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	6,84,76,837	4,62,04,858
		<b>96,74,03,469</b>	<b>61,19,95,583</b>

All trade receivable are given as security for short-term bank borrowings.



**Note 16 CASH AND BANK BALANCES**

PARTICULARS	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>Cash &amp; Cash Equivalents</b>		
(i) Balances with Local banks		
- In Current Account	4,52,107	1,84,222
- In EEFC Account	-	-
(ii) Cash on hand	12,25,074	23,60,705
	<b>16,77,181</b>	<b>25,44,927</b>

**Note 17 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)**

Sr. No.	PARTICULARS	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	<b>Balance with Government Authorities</b>		
	GST Receivable	5,46,92,089	4,26,12,629
	Customs Duty	14,796	24,255
2	<b>Prepaid Expenses</b>	10,12,883	9,86,291
3	<b>Loans and Advances to employees (Refer Note Below)</b>	2,18,785	3,57,185
4	<b>Other Loans and Advances</b>		
	(i) Advance to suppliers	2,02,24,389	2,84,75,106
	(ii) Advance for Expenses	14,68,070	19,06,039
		<b>7,76,31,012</b>	<b>7,43,61,506</b>

**Note 18 OTHER CURRENT ASSETS(Unsecured, considered good)**

PARTICULARS	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Interest Accrued but not due	2,09,236	15,851
Others - Service Tax Claim Receivable	42,757	57,443
Subsidy Receivable	70,88,434	70,88,434
	<b>73,40,427</b>	<b>71,61,728</b>

**Note 19 REVENUE FROM OPERATIONS**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
(a) Sale of Products (Net)	2,60,61,42,811	2,51,00,54,134
(b) Job work Income	4,75,360	-
(c) Other Operating revenue		
(i) Duty drawback	1,50,23,388	1,71,42,281
(ii) Export incentive	3,00,26,703	4,65,52,095
(ii) Service tax (Duty Drawback) income	12,569	49,753
	<b>2,65,16,80,831</b>	<b>2,57,37,98,263</b>

**Note 20 OTHER INCOME**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
(a) Interest Income		
- Interest- Others	3,26,291	40,127
(b) Other non-operating income	-	7,080
(c) Foreign Exchange Profit /Loss	1,58,66,403	-
(d) Other Income	70,211	15,55,222
(e) Excess Provision written back	-	-
(f) Interest Subsidy	-	23,99,731
(g) Liability No Longer Required	12,39,191	-
(h) Profit on sale of Assets	12,74,992	35,68,091
	<b>1,87,77,088</b>	<b>75,70,251</b>

**Note 21 COST OF MATERIALS CONSUMED**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Opening Stock of Raw material	7,09,65,132	11,85,27,052
<b>Add</b> : Purchases of raw material (incl. incidental expenses)	97,04,45,940	1,61,78,77,406
<b>Add</b> : Processing and Packing Charges	21,66,41,337	2,53,19,873
<b>Less</b> : Transferred to Finished/ Traded Goods	-	-
<b>Less</b> : Closing stock of raw material	14,38,78,385	7,09,65,132
	<b>1,11,41,74,024</b>	<b>1,69,07,59,199</b>

**Note 22 PURCHASES OF STOCK-IN-TRADE**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
(i) Finished/Traded Goods	1,30,10,78,739	658,629,881
<b>Add</b> : Transferred from Raw Material	-	-
	<b>1,30,10,78,739</b>	<b>658,629,881</b>

**Note 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Opening stock of finished / traded goods	41,21,73,416	31,48,77,450
<b>Less</b> : Closing stock of finished / traded goods	44,59,12,550	41,21,73,416
	<b>(3,37,39,134)</b>	<b>(9,72,95,966)</b>

**Note 24 EMPLOYEE BENEFIT EXPENSE**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
(i) Salaries, wages and bonus expenses	8,03,36,594	7,72,96,611
(ii) Staff welfare expenses	2,94,632	5,93,746
(iii) Contribution to Gratuity and other funds	62,03,414	78,11,673
	<b>8,68,34,640</b>	<b>8,57,02,030</b>

**Note 25 FINANCE COSTS**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>(a) Interest expense</b>		
- Interest on Term Loan	68,62,533	61,28,418
- Interest on Car Loan	3,73,658	5,19,928
- Interest on Working Capital Loan	4,42,32,134	4,32,13,317
- Interest on Statutory Defaults	27,311	1,21,635
- Interest Others	78,94,858	23,37,906
<b>(b) Bank charges and Other borrowing costs</b>	75,17,496	49,54,383
	<b>6,69,07,991</b>	<b>5,72,75,587</b>

**Note 26 OTHER EXPENSES**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Transportation Charges	89,02,864	1,10,68,933
Power and Fuel	24,00,644	21,55,196
Rent	2,10,000	4,36,650
Repairs & Maintenance	10,86,928	7,89,079
Donation (other than Political)	11,000	1,25,000
Freight Expense	62,19,686	1,52,74,223
Insurance	38,07,674	56,38,736
Rates and Taxes (Excluding Taxes on Income)	32,84,631	8,81,508
Communication Charges	1,42,714	4,41,796
Printing & Stationary	4,03,023	3,10,767
Document & Stamping Charges	32,129	1,65,576
Postage and Courier Expenses	34,82,460	36,42,869
Labour Charges	4,56,114	7,52,098
Foreign Exchange Profit /Loss	-	1,87,70,404
Licence Fee and Registration Charges	7,32,800	12,04,222
Clearing & Forwarding Charges	65,75,741	70,54,137
Commission Expense	1,88,28,067	3,67,48,047
Business Promotion Expense	3,36,507	2,93,901
Professional Fees	41,23,365	45,66,481
Filing Fees	17,700	4000
Public Issue Expense	-	81,840
Travelling & Conyenance Expenses	26,11,633	27,22,557
Security Expense	12,89,491	14,41,018
<b>Payment to Auditors</b>		
(i) Audit Fees	80,000	80,000
(ii) Taxation matters	-	11,800
(iii) Other services (Including Certification)	-	1,52,924
	<b>80,000</b>	<b>2,44,724</b>
Loss on sale of asset	-	2,39,047
Office Expenses	2,85,101	3,99,086
Membership & Subscription	1,61,649	1,58,072
Miscellaneous Expenses	10,52,715	15,48,501
Sundry Balance written off	1,48,877	12,69,514
Prior Period Expenses (Refer Note 31)	20,870	1,63,933
	<b>6,67,04,382</b>	<b>11,85,91,915</b>

**Note 27 TAX EXPENSE**

Sr. No.	PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
1	<b>Current Tax</b>		
	Current Income Tax	1,45,17,058	1,78,90,162
	Adjustment of earlier years	(6,40,054)	43,508
		<b>1,38,77,004</b>	<b>1,79,33,670</b>
2	<b>Deferred Tax</b>	(5,02,462)	8,36,916
		<b>1,33,74,542</b>	<b>1,87,70,586</b>

- a) Provision for taxation for the year has been made after considering allowance, claims and relief available to the Company as considered and perceived by the management.
- b) Some taxes related assessments are pending against the Company. Potential liabilities, if any, have been adequately provided for, and the management does not estimate any incremental liability in respect of the legal proceedings.

**Note 28 EARNINGS PER SHARE (EPS)**

- a) The following reflects the profit and share data used in the basic and diluted EPS computations:

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Profit/(loss) for calculation of basic and diluted EPS	4,44,21,205	3,73,95,623
Weighted average number of equity shares in calculating basic EPS	1,00,76,100	1,00,76,100
Face value of equity shares	10	10
Basic Earnings per share (In Rupees)	4.41	3.71
Diluted Earnings per share (In Rupees)	4.41	3.71

- b) The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

**Note 29 RELATED PARTY DISCLOSURES**

- a) **Related Parties with whom transactions have taken place during the year:**

<b>Key Management Personnel</b>	Mr. Bhavik Parikh Mr. Nilay Vora Mr. Bhavin Parikh Mr. Yash Shah (upto 26/03/2019) Mr. Faruk Diwan (w.e.f. 26/03/2019)
<b>Enterprises Owned or controlled by Key Management personnel and/or</b>	Kunthunath Impex LLP (Formerly Parikh Impex Pvt. Ltd.) Padamshree Globe Tradelink Pvt. Ltd (upto 04/07/2018)

<b>their Relatives(With whom transactions have taken place)</b>	Globe Denwash Pvt Ltd Easy Tax-O-Legal Services (India) Pvt. Ltd. Easy Good Service Tax Online Dot Com Pvt. Ltd. Globe Texfeb LLP Parikh Hathisingh Ujamchand Sarvajanik Sakhawati Trust
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### b) Related Party Transactions

Sr. No.	PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Key Management Personnel</b>			
<b>1</b>	<b>Mr. Nilay Vora</b>		
	Salary, Bonus	8,60,220	10,67,679
	Advance against Expense outstanding	6,25,851 Dr	-
	Balance Outstanding	63,877 Cr	39,059Cr
<b>2</b>	<b>Mr. Bhavik Parikh</b>		
	Salary, Bonus	39,67,492	50,69,940
	Reimbursement of expenses	-	1,32,150
	Funds repaid	37,60,000	1,30,00,000
	Funds received	28,83,140	1,06,00,000
	Balance Outstanding	8,55,243 Cr	14,51,082 Cr
<b>3</b>	<b>Mr. Bhavin Parikh</b>		
	Salary, Bonus	28,92,522	3,802,455
	Balance Outstanding	2,22,934 Cr	247,305 Cr
<b>4</b>	<b>Mr. Yash Shah (upto 26.03.2019)</b>		
	Salary, Bonus	-	141,443
	Reimbursement of expenses	-	125
	Balance Outstanding	-	-
<b>5</b>	<b>Mr. Faruk Diwan (w.e.f. 26.03.2019)</b>		
	Salary, Bonus	3,56,211	31,626
	Reimbursement of expenses	-	-
	Balance Outstanding	29,817 Cr	29,776 Cr
<b>Associate Entities</b>			
<b>1</b>	<b>Globe Texfeb LLP</b>		
	Funds given	2250	-
	Funds received	2250	-
	Balance Outstanding	-	-
<b>2</b>	<b>Parikh Hathisingh Ujamchand Sarvajanik Sakhawati Trust</b>		
	Donation Given	11,000	1,25,000
	Balance Outstanding	-	-

<b>3</b>	<b>Kunthunath Impex LLP (Formerly Parikh Impex Pvt. Ltd.)</b>		
	Sales	12,81,43,012	5,62,859
	Purchase	18,28,76,513	19,13,62,382
	Reimbursement of Expense	-	2250
	Salary Payable	-	-
	Balance Outstanding	9,50,65,049 Cr	4,31,32,373 Cr
<b>4</b>	<b>Padamshree Globe Tradelink Pvt. Ltd (upto 04/07/2018)</b>		
	Sales	-	84,02,078
	Purchase	-	90,33,984
	Balance Outstanding	-	6,31,905 Cr
<b>5</b>	<b>Globe Denwash Pvt Ltd</b>		
	Purchase and Job Work	8,60,70,212	14,26,498
	Funds given	11,61,28,347	4,07,04,029
	Funds received	5,87,96,565	6,67,02,191
	Balance Outstanding	1,90,39,315 Dr	13,57,250 Cr
<b>6</b>	<b>Easy Tax-O-Legal Services (India) Pvt. Ltd.</b>		
	Purchase (Service)	-	3,92,350
	Balance Outstanding	-	94,500 Cr
<b>7</b>	<b>Easy Good Service Tax Online Dot Com Pvt. Ltd.</b>		
	Purchase (Service)	1,75,000	-
	Balance Outstanding	-	-

Note: Amount of salary includes contribution to Provident fund and Leave encashment accrued as on 31st March, 2020

### Note 30 GRATUITY

#### a) Net employee benefit expense recognized in the employee cost

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Service cost	17,08,233	13,91,918
Interest cost	3,82,376	2,77,874
Actuarial losses/(gains) recognised in the period	5,84,106	93,931
Past service cost vested	-	-
<b>Net benefit expense</b>	<b>26,74,715</b>	<b>17,63,723</b>

**b) CURRENT AND NON CURRENT LIABILITY**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Balance Sheet Benefit Asset/Liability		
Present value of defined benefit obligations	75,78,987	52,60,376
Fair value of plan assets	-	-
Net Liability/ (Asset)	75,78,987	52,60,376
Current Liability	3,55,551	2,55,635
Non-Current Liability	72,23,436	50,04,741

**c) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Opening defined benefit obligation	4114322	4360422
Current service cost	-	-
Interest cost	-	-
Past service cost	-	-
Actuarial losses/(gains)	-	-
Benefits Paid	3,56,104	2,46,100
<b>Closing defined benefit obligation</b>	<b>37,58,218</b>	<b>41,14,322</b>

**d) Changes in the fair value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows**

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Opening fair value of plan assets	-	-
Expected return	-	-
Actuarial losses/(gains)	-	-
Benefits paid	-	-
Contribution by employer	-	-
Closing fair value of plan assets	-	-



e) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Rate of Interest	6.80%	7.45%
Salary Growth*	8.00%	8.00%
Expected Rate of Return	NA	NA
Withdrawal Rates	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages
Retirement Age	60 years	60 years

\*\* The estimated future salary increases take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

#### Note 31 PRIOR PERIOD EXPENSES

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Other Prior period expense	20,870	1,63,933
	<b>20,870</b>	<b>1,63,933</b>

#### Note 31 OTHER DISCLOSURES

- a) Sundry Creditors, Receivables and Loans and Advances include certain items for which confirmations are yet to be received. Provision for doubtful debts, if any, in respect of above and the consequential adjustments, arising out of reconciliation will be made at the appropriate time.
- b) In the opinion of the Management and to the best of their knowledge and belief the value under the head of Current and Non Current Assets (other than property, plant and equipment and non current investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

c) Contingent liabilities not provided for:

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Disputed TDS Demand	-	32,640
Disputed Income Tax Demand on completion of Assessment where assessee has preferred an appeal against the said orders , Interest and Penalty unascertainable at this stage	7,58,37,629	4,78,90,629

**Note 33 OTHER STATUTORY INFORMATION**

**33.1 Details of Goods**

- Detail of goods sold

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Finished/Traded Goods Sold</b>		
Textile Products	2,65,16,80,831	2,57,37,98,263
	<b>2,65,16,80,831</b>	<b>2,57,37,98,263</b>

- Detail of raw material consumed

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Textile Products	1,11,41,74,024	1,690,759,199
	<b>1,11,41,74,024</b>	<b>1,690,759,199</b>

- Detail of purchase of finished/traded goods

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Textile Products	1,30,10,78,739	6,586,29,881
	<b>1,30,10,78,739</b>	<b>65,86,29,881</b>

- Details of Inventory

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>Raw Materials</b>		
Textile Products	14,38,78,385	7,09,65,132
	<b>14,38,78,385</b>	<b>7,09,65,132</b>
<b>Finished/Traded Goods</b>		
Textile Products	44,59,12,550	41,21,73,416
	<b>44,59,12,550</b>	<b>41,21,73,416</b>

### 33.2 Value of imports calculated on CIF basis

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Purchase of Goods	76,96,240	62,81,021
Purchase of Capital Goods	59,46,588	63,000

### 33.3 Expenditure in Foreign Currency (Accrual Basis)

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Foreign Bank Charges	16,18,320	17,52,475
Agent Commission	1,66,67,708	74,55,889
	<b>1,82,86,028</b>	<b>92,08,364</b>

### 33.4 Earnings in Foreign Currency (Accrual Basis)

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Export of goods on F.O.B basis	1,29,20,13,695	1,27,99,99,021
	<b>1,29,20,13,695</b>	<b>1,27,99,99,021</b>

Note: This FOB Valuation is calculated on the basis of shipping bills.

## Note 34 SEGMENT REPORTING

### i) Primary Segment

In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006 (as amended), the company has determined its business segment as Textile Trading and Manufacturing. Since,

there are no other business segments in which the company operates, there are no other primary reportable segments. Therefore, the segment revenue, results, segment assets, segment liabilities, total cost incurred to acquire segment assets, depreciation charge are all as reflected in the financial statements.

**j) Secondary Segment**

Secondary segment reporting is based on the geographical location of customers. Company has its operations in India and outside India.

PARTICULARS	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Domestic Sales	1,44,31,76,296	1,22,50,52,043
Export Sales	1,16,29,66,515	1,28,50,02,091
<b>Total Sales</b>	<b>2,60,61,42,811</b>	<b>2,51,00,54,134</b>

**Note 35**

During March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has since resumed its business activities by reopening its factories and offices on a gradual basis in line with the guidelines issued by the Government authorities. Basis such evaluation, the management does not expect any adverse impact on its future cash flows and shall be able to continue as a going concern and meet its obligations as and when they fall due. The Company will continue to monitor future economic conditions for any significant change. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**Note 36 PREVIOUS YEAR FIGURES**

Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

In terms of our report attached.

**For, SHAH DHANDHARIA & CO.**

Chartered Accountants

Firm Reg. No. 118707W

Sd/-

**Karan Amlani**

(Partner)

Membership No. 193557

Place: Ahmedabad

Date: 09/07/2020

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

Sd/-

**Bhavik Parikh**

Director

DIN: 00038223

Sd/-

**Faruk Diwan**

Company Secretary

Sd/-

**Nilay Vora**

Director

DIN: 07732523

Sd/-

**Bhavin Parikh**

CFO

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## Globe Textiles (India) Limited

(CIN: L65910GJ1995PLC027673)

Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad - 380008

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