

GIRNAR SPINTEX INDUSTRIES LIMITED

(Formerly Known as Amit Spinning Industries Limited)

28TH ANNUAL REPORT

2019-20

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Girnar Spintex Industries Limited
(Formerly known as Amit Spinning Industries Limited)
CIN: L17100PN1991PLC190209

Regd Office: Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road, Karvir, Kolhapur 416202

NOTICE

NOTICE is hereby given that the **28th Annual General Meeting** of the Members of Girnar Spintex Industries Limited (Formerly known as **Amit Spinning Industries Limited**) will be held on **Wednesday, September 30, 2020 at 11.30 A.M** through Video Conferencing / Other Audio Visual Means (VC) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors (“the Board”) and auditors thereon
2. To appoint a Director in place of Mr. Deepak Chaganlal Choudhari (DIN: 03175105) who retires from office by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. Appointment of Mr. Siddhant Patil as an Independent Director of the Company

To Consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Siddhant Patil (DIN 08817203) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 31 July 2020 and who holds office upto the date of this Annual General Meeting of the Company but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

“RESOLVED FURTHER THAT pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under read with Schedule IV to the Act, and regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations) as amended from time to time, the appointment of Mr. Siddhant Patil(DIN 08817203) who meets the criteria of Independence as provided in section 149(6) of the Act and SEBI Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an independent Director of the Company not liable to retire by rotation, for a term of five years commencing 31 July 2020, be and is hereby approved.”

4. Appointment of Mr. Pruthveesh Shetti as an Independent Director of the Company

To Consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Pruthveesh Shetti (DIN 08817217) who was appointed by the Board of Directors as Additional Director of the Company with effect from 31 July 2020 and who holds office upto the date of this Annual General Meeting of the Company but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

“RESOLVED FURTHER THAT pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under read with Schedule IV to the Act, and regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations) as amended from time to time, the appointment of Mr. Pruthveesh Shetti(DIN 08817217) who meets the criteria of Independence as provided in section 149(6) of the Act and SEBI Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an independent Director of the Company not liable to retire by rotation, for a term of five years commencing 31 July 2020, be and is hereby approved.”

5. Appointment of Mr. Vijay Dudharkar as an Independent Director of the Company

To Consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Vijay Dudharkar (DIN 08863530) who was appointed by the Board of Directors as Additional Director of the Company with effect from 5 September 2020 and who holds office upto the date of this Annual General Meeting of the Company but who is eligible for appointment and in respect of whom the company has received a notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

“RESOLVED FURTHER THAT pursuant to the provisions of sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under read with Schedule IV to the Act, and regulation 17 and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations) as amended from time to time, the appointment of Mr. Vijay Dudharkar(DIN 08863530) who meets the criteria of Independence as provided in section 149(6) of the Act and SEBI Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an independent Director of the Company not liable to retire by rotation, for a term of five years commencing 5 September 2020 be and is hereby approved.”

6. Approval of material related party transaction(s) with Universal Cottex

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

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Universal Cottex., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021) , 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

7. Approval of material related party transaction(s) with Samyak Textile

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Samyak Textile., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

8. Approval of material related party transaction(s) with Universal Weaving Mills

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Universal Weaving Mills., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

9. Approval of material related party transaction(s) with Unnat Textile

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and

the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Unnat Textile., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

10. Approval of material related party transaction(s) with Universal Texcom

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Universal Texcom., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

11. Approval of material related party transaction(s) with Gautam Textile

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Gautam textile., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

12. Approval of material related party transaction(s) with Vimla Textile

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its

Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Vimla Textile., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

13. Approval of material related party transaction(s) with Universal Fabtex

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“**RESOLVED that** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Universal Fabtex, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

14. Approval of material related party transaction(s) with Universal Syntex

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Universal Syntex., a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

15. Approval of material related party transaction(s) with Siddarth Emporium India Private Limited

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its

Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Siddarth Emporium India Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

16. Approval of material related party transaction(s) with Manibhadra Polycot

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

“**RESOLVED that** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Manibhadra Polycot, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

17. Approval of material related party transaction(s) with Lalchand and Company

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

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Lalchand and Company, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21(From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

18. Approval of material related party transaction(s) with Bombay Bleaching

To consider and if thought fit, to pass, the following resolution as a Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Bombay Bleaching, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for following transaction

Sr. No.	Transaction	Maximum Amount in a Financial Year (In Crores)
1	Purchase and sale of Yarn	200
2	Purchase and sale of Cotton and other raw material, consumables and stores	200
3	Purchase and sale of Machineries, Spare Parts	10
4	Purchase and sale of Waste.	10

for the financial year 2020-21 (From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

By Order of the Board of Directors

Aniruddha Badkatte
Company Secretary

Place: Kolhapur

Date: September 5, 2020

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

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 authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in 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 1000 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.
5. 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.
6. 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.girnarspintex.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. Further the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 30 Sept, 2020. Members seeking to inspect such documents can send an email to secretarial@girnarspintex.com.

10. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again
11. The Board has appointed M/s. PPS & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
12. The e-voting period commences on Sunday, 27th September, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). During this period, a member holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on September 23, 2020 may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cutoff date, i.e. as on September 23, 2020.
13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who 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 the e-voting system during the AGM.
14. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote
15. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
16. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at www.Girnarspintex.com. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, RCMC Share Registry Private Limited, in case the shares are held in physical form.
18. The Register of Members and the Share Transfer Books of the Company will remain closed from September 24, 2020 to September 30, 2020 (both days inclusive).
19. Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders whose ledger folios did not had/had incomplete details with respect to PAN and Bank particulars were mandatorily required to furnish these details to the Company/ Registrar & Transfer Agent ("RTA") for registration/ updation in the physical folio. The Company had sent intimation followed by two reminders to those shareholders. Shareholders are requested to update the same at the earliest

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 27, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number(114405) followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 114405 then user ID is 114405001

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mr. Shrenik Uday Nagaonkar, Partner, PPS and Associate at shrenik.nagaonkar@ppscs.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@girnarspintex.com

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@girnarspintex.com

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM 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 in the AGM.
3. 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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 through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.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 EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

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. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

Explanatory Statement

As required under section 102 of the Companies Act, 2013 ("Act"), the following explanatory statements out all material facts relating to business mentioned under item Nos. 3 to 18 of the accompanying Notice:

Item Nos. 3

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Siddhant Patil(DIN: 08817203) as Additional Director of the Company and also as Independents Directors, not liable to retire by rotation, for a term of 5 years i.e. from 31 July 2020 to 31 July 2025, subject to approval of the Members.

The Company has received declarations from Siddhant Patil (DIN: 08817203) to the effect that they meet criteria of Independence as provided in section 149(6) of the Act and SEBI Listing Regulations. In terms of SEBI listing regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably anticipated that could impair or impact their ability to discharge their duties.

In compliance of with the provisions of section 149, read with schedule IV of the act and Regulation 17 of the SEBI Listing Regulations and other applicable Regulations, the appointments of Siddhant Patil(DIN: 08817203) as Independent Directors is now being placed before members for their approval.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members

Item Nos. 4

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Pruthveesh Shetti (DIN: 08817217) as Additional Director of the Company and also as Independents Directors, not liable to retire by rotation, for a term of 5 years i.e. from 31 July 2020 to 31 July 2025, subject to approval of the Members.

The Company has received declarations from Pruthveesh Shetti(DIN: 08817217) to the effect that they meet criteria of Independence as provided in section 149(6) of the Act and SEBI Listing Regulations. In terms of SEBI listing regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably anticipated that could impair or impact their ability to discharge their duties.

In compliance of with the provisions of section 149, read with schedule IV of the act and Regulation 17 of the SEBI Listing Regulations and other applicable Regulations, the appointments of Pruthveesh Shetti(DIN: 08817217) as Independent Directors is now being placed before members for their approval.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members

Item Nos. 5

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Vijay Dudharkar (DIN: 08863530) as Additional Director of the Company and also as Independents Directors, not liable to retire by rotation, for a term of 5 years i.e. from 5 September 2020 to 5 September 2025, subject to approval of the Members.

The Company has received declarations from Vijay Dhudharkar (DIN: 08863530) to the effect that they meet criteria of Independence as provided in section 149(6) of the Act and SEBI Listing Regulations. In terms of SEBI listing regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably anticipated that could impair or impact their ability to discharge their duties.

In compliance of with the provisions of section 149, read with schedule IV of the act and Regulation 17 of the SEBI Listing Regulations and other applicable Regulations, the appointments Vijay Dudharkar(DIN: 08863530) as Independent Directors is now being placed before members for their approval.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Notice for approval by the Members

Item No. 6 to 18

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors of the Company and prior approval of the members of the Company, in case value of certain transactions with related parties exceeds threshold limit as specified in the said Rules. However, the aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm's length basis.

Pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members is required for all material related party transactions, even if they are entered into by the Company in the ordinary course of business and on arm's length basis. Under Listing Regulations, a transaction with Related Party is considered to be material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year with Related Party exceed 10% of the annual turnover of the Company, as per the last audited financial statements of the Company.

The Company is in the business of manufacturing and sale of Yarn. These related parties are into textile business since long period and these related parties have good presence in textile market. Some of the related parties are also suppliers of textile machineries, Spare Parts, consumables etc. Each related party has presence in different regions. Full capacity utilization and continuous order books will help the company to achieve its targets. Hence company will be benefited by the experience and presence of these related parties. Company may execute transaction with any one party or with others on proportionate basis as may be decided by the Board in the interest of the company. Hence Board seeks approval for proposed transactions with all these parties. The company may enter into following transactions with related parties

Sr. No.	Transaction
1	Purchase and sale of Yarn
2	Purchase and sale of Cotton and other raw material, consumables and stores
3	Purchase and sale of Machineries, Spare Parts
4	Purchase and sale of Waste.

the value of which may exceed threshold limits specified in the Listing Regulations. The Audit Committee granted approval for the said related party transactions at its meeting held on 5 September 2020. The approval of members of the Company is being sought for proposed material related party transactions specified in the resolution for Financial Years 2020-21 (From October 1, 2020 to March 31, 2021), 2021-22, 2022-23, 2023-24, 2024-25.

Name of Related Party	Name of the director or key managerial personnel who is related, if any;	Nature of relationship	nature, material terms, monetary value and particulars of the contract or arrangement, the material terms of the contract or arrangement including the value, if any
Universal Cottex	Jitendrakumar Chopra	Proprietor of Universal Cottex	The salient features of proposed transactions including value are specified in the resolution and the transactions will be on continuous basis. The Price for the transaction will be agreed to by both parties based on estimated total cost and risk and returns considering prevalent market conditions.
Samyak Textile	Jitendrakumar Chopra	Proprietor of Samyak Textile	
Universal Weaving Mills	Sharmiladevi Chopra	Proprietor of Universal Weaving Mills	
Unnat Textile	Jitendrakumar Chopra	Mithun Chopra Proprietor of Unnat Textile(Brother)	
UniversalTexcom	Jitendrakumar Chopra	Mithun Chopra Proprietor of Unnat Textile(Brother)	
GautamTextile	Jitendrakumar Chopra	Gautam Chopra Proprietor of Gautam Textile (Father)	
Vimla Textile	Jitendrakumar Chopra	Vimladevi Chopra is proprietor Vimla Textile (Mother)	
Universal Fabtex	Jitendrakumar Chopra	Bharat Chopra is Proprietor of Universal Fabtex(Brother)	
Universal Syntex	Jitendrakumar Chopra	Bharat Chopra is Proprietor of Universal Fabtex(Brother)	
Siddharth Emporium India Private Limited	Deepak Choudhari	Director	

Manibhadra Polycot	Deepak Choudhari	Proprietor	
Lalchand and Company	Deepak Choudhari	Deepak Choudhari and Rajendra Choudhari (Brother) are partners in Lalchand and Company	
Bombay Bleaching	Deepak Choudhari	Deepak Choudhari and Rajendra Choudhari (Brother) are partners in Bombay Bleaching.	

The Board recommends the Resolution at item No. 6 to 18 for the approval of the members by way of ordinary resolution. As per Listing Regulations, no related parties shall vote to approve the said resolution.

Details of Directors seeking appointment/re-appointment at the 28th Annual General Meeting in pursuance of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

Particulars	Deepak Choudhari	Siddhant Patil	Pruthveesh Shetti	Vijay Dudharkar
Date of Birth	12 February 1974	15 March 1999	14 April 1993	27 July 1983
Date of Appointment	10 August 2018	31 July 2020	31 July 2020	5 September 2020
Qualifications	B.Com	B.Com , Pursuing CA	MBA Marketing	Chartered Accountant
Expertise	21 Years of experience in Yarn Manufacturing and processing Business	Taxation, Accounts, and corporate laws	Educational Counselor and also has experience in Textile Business	Taxation, Accounts, and corporate laws
Directorships held in other Public Companies (excluding foreign companies and section 8 companies)	NIL	NIL	NIL	NIL
Memberships/Chairmanships of committees of Other Public Companies	NIL	NIL	NIL	NIL
Number of Shares held in the Company	NIL	NIL	NIL	NIL

Girnar Spintex Industries Limited
(Formerly known as Amit Spinning Industries Limited)
CIN: L17100PN1991PLC190209

Regd Office: Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road, Karvir, Kolhapur 416202

BOARD'S REPORT

Dear Members,

Your Directors have great pleasure in presenting the 28th Annual Report together with Audited Statements of Accounts of the Company for the year ended March 31, 2020.

FINANCIAL RESULTS:

The summarized financial results for the year ended March 2020 as compared to the previous year are as follows:

Particulars	(Rs. in Lakhs)	
	2018-2019	2018-2019
Revenue from Operation	3946.45	-
Other Income	7.42	-
Profit before depreciation, interest finance charges and tax (PBDIT)	(317.68)	(296.86)
Less: Interest and Finance Charges	413.60	132.25
Less: Depreciation	251.99	278.43
Profit/(Loss) before Tax (PBT)	(983.27)	(707.54)
Less : Tax Expense/Deferred Tax	-	-
Profit/(Loss) after Tax (PAT)	(983.27)	(707.54)
Other Comprehensive Income	-	-
Total Comprehensive Income	(983.27)	(707.54)

REVIEW OF OPERATIONS

After obtaining physical possession of the factory the Management carried out repairs and maintenance activities and started trial production in May 2019.

Further the Company has started its Commercial Production from October 2019. During the year under review, the turnover of the Company was 3946.45 which was nil during the last year. Company has not utilized its manufacturing capacity to its optimum level which resulted in loss of Rs. 983.27 lakhs during the year. Further Management is actively involved in trying to utilize the idle capacities available with the Company.

COVID 19

Covid 19 pandemic which rapidly turned into global crisis forced the government to enforce the lockdown the Country which had an effect on all economic activities in the Country. To ensure safety of workmen, employees and all stakeholders at large the Company temporarily closed its Manufacturing and other operations since lockdown in March 2020. Further the Company had resumed partial

manufacturing operations from 4 June 2020 with limited workforce and subject to conditions as stipulated by Government from time to time.

MAJOR EVENTS OCCURRED DURING THE YEAR

There have been no material changes and commitments, which affect the financial position of the company which have occurred during the year and between the end of the financial year to which the financial statements relate and the date of this Report except COVID – 19 pandemic which is discussed above.

SHARE CAPITAL

The Company's Authorized Share Capital as on 31st March, 2020 stands at Rs. 25,00,00,000/- and issued & paid up capital as on 31st March, 2020 stands at Rs. 20,58,48,335/- divided into 4,11,69,667 fully paid up equity shares of Rs. 5/- each. During the year, under review, the Company has not issued any share(s). Further the Company has not issued any share with differential Voting Rights/Sweat Equity shares/under Stock Option Scheme (ESOS) earlier and during the year.

NCLT by its order dt. 31-07-2018 approved Reduction of Face Value of Shares to Re. 0.50 per Share from Re. 5 Per Share and further consolidation of face value of shares to Re. 5 per share. Post consolidation paid up equity shares will reduce from 4,11,69,667 shares of Rs. 5/- each to 41,16,967 equity shares of Rs. 5/- each. It also involves extinguishment of shares of previous Promoters and top 10 shareholders. However compliance / corporate actions of the same with CDSL, NSDL, ROC and Stock Exchanges were pending at the end of the March 2020. However the said corporate actions have been initiated in the month of July 2020.

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review company was not required to transfer any amount as well as any shares to the Investor Education and Protection Fund (IEPF)

DIVIDEND:

In view of the losses the Board of Directors do not recommend any dividend for the year.

RESERVES:

In view of the losses, your Board of Directors has decided not to transfer any amount to the Reserves for the year under review.

LOANS, GUARANTEE & INVESTMENTS:

The Company has not advanced any loans or provided guarantees or made investments during the year under review.

DEPOSITS:

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act.

LISTING OF SHARES

Presently Company's shares are listed and traded at the BSE Limited, Mumbai (BSE) and National Stock Exchange of India, Mumbai (NSE). The Listing fees for the year 2019-20 has been paid. Due to liquidity issues company has not paid Annual Listing fee for 2020-21 however Board of Directors hereby confirm that it will be paid soon.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mahaveer Bhandari was appointed as a Non executive Independent Director of the Company w.e.f. 31.05.2019.

Further Mr. Mahaveer Bhandari, Mr. Amol Kanwade and Mr. Satish Murabatte resigned from the position of Independent Directors on 14.02.2020, 24.02.2020 and 25.02.2020 respectively.

Mr. Pruthveesh Shetti, Mr. Siddhant Patil and Mr. Vijay Dhudharkar were appointed as additional non executive directors in the category of Independent Directors 31.07.2020, 31.07.2020 and 05.09.2020 respectively..

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of the companies in which they hold directorship and membership/chairmanships of the Board or its Committees, as stipulated under SEBI (LODR) Regulations entered into by the Company with stock exchanges in India, is provided in the Report of Corporate Governance forming part of the Annual Report.

RELATED PARTY TRANSACTIONS:

There were no related party transactions during the year. Hence no disclosure is required to be given in form AOC 2.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have given declarations that they meet the criteria of Independence and have complied with the Code for Independent Directors prescribed in Schedule IV to the Act as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Further they also had confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed policy for selection and appointment of Directors, Senior Management and their remuneration in pursuant to Section 178 of Companies act 2013 and Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The remuneration given is as per the remuneration policy framed.

Criteria for Determining the Qualifications for appointment of Directors (including Independent Directors)

- i. Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- ii. Their technical, financial, HR, Legal, or business literacy/skills i.e. knowledge about textile business;
- iii. Their administrative experience;
- iv. Other appropriate qualification/experience to meet the objectives of the Company;
- v. As per the applicable provisions of Companies Act, 2013, Rules made thereunder and as per provisions of SEBI(LODR) Regulations.2015 .

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

Positive attributes of Directors (including Independent Directors):

- a. Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- b. Actively update their knowledge and skills with the latest developments in the infrastructure industry, market conditions and applicable legal provisions;
- c. Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- d. To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- e. Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- f. To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- g. Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and as per provisions of SEBI(LODR) Regulations 2015 as amended from time to time.

Independence Review Procedures

- Annual Review

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such Director as per the provisions of the Companies Act, 2013 read with Rules thereon and as per provisions of SEBI(LODR) Regulations.2015

- Individual Director's Independence Determinations

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and as per provisions of SEBI(LODR) Regulations.2015

- Notice of Change of Independent Status

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

a. Criteria for appointment of KMP/Senior Management –

- i. To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- ii. To practice and encourage professionalism and transparent working environment;
- iii. To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- iv. To adhere strictly to code of conduct

b. Term –

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the Listing Regulations, as amended from time to time. Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

c. Evaluation –

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment /continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

d. Removal –

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and /or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management.

e. Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

f. Remuneration to Non-executive Directors (Including independent Director)

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval.

PERFORMANCE EVALUATION OF THE BOARD:

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its own performance, also performance of the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and individual Directors, including the Chairman of the Company.

For evaluating the Board as a whole, views were sought from the Directors on various aspects of the Board's functioning such as degree of fulfillment of key responsibilities, Board Structure and composition, establishment, delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the management.

Similarly, views from the Directors were also sought on performance of individual Directors covering various aspects such as attendance and contribution at the Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and promoting effective relationships and open communication, communicating effectively with all stakeholders and motivating and providing guidance to the Executive Director.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition, effectiveness of meetings, Committee dynamics and quality of relationship of the Committee with the Board and the Management.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination & Remuneration Committee also reviewed the performance of the Board, its Committees and of individual Directors.

The Chairman of the Board provided feedback to the Directors, as appropriate. Significant highlights, learning with respect to the evaluation, were discussed at the Board Meeting.

A MATRIX SETTING OUT THE SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS IS AS UNDER

Name of the Director	Category	Skills, Expertise, Competence of the Director			
		Technical	Financial	Administrative / HR	Legal
Deepak Choudhari	Chairman, Promoter Executive Director	✓	✓	✓	
Jitendrakumar chopra	Promoter, Executive Director	✓	✓	✓	
Sharmiladevi Chopra	Promoter, Non Executive Director	✓			
Siddhant patil	Non Executive Independent Director		✓	✓	✓
Pruthveesh Shetti	Non Executive Independent Director	✓		✓	
Vijay Dudharkar	Non Executive Independent Director		✓	✓	✓

Number of Meetings of the Board

During the year under review, Eight meetings of the Board were held during the year. The detailed information regarding meetings of the Board held during the year is mentioned in the Corporate Governance Report which forms part to this report.

EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) and as provided under sub-section (3) of Section 92 of the Companies Act, 2013 an extract of the annual return in prescribed form MGT – 9 has been posted on the website of the company i.e. www.girnarspintex.com.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report is attached to the Directors Report as **Annexure 1**.

CORPORATE GOVERNANCE:

Corporate Governance report is provided separately in this annual report.

AUDITORS AND AUDITORS REPORT

(a) Statutory Auditor & Audit Report

In accordance with the provisions of Section 139 of the Companies Act, 2013, at the Annual General Meeting held on September 27, 2018 M/s Sanjay Vhanbatte were appointed as Statutory Auditors of the Company for the period of 5 years commencing from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting was omitted vide notification dated May 07, 2018, issued by Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors in the ensuing AGM of the Company.

Statutory Auditors i.e, M/s Sanjay Vhanbatte, have submitted Auditors' Report on the accounts of the Company for the period ended 31st March 2020. With respect to statutory auditors remark about impairment of losses, management will comply with the same. Further corporate actions as per NCLT order is in process and will be completed by the end of March 31, 2021.

(b) Cost Auditor:

The Companies (Cost Records and Audit Rules), 2014 is not applicable to the Company.

(c) Secretarial Auditor & Audit Report:

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s. PPS and Associates, Practicing Company Secretaries as Secretarial Auditor to carry out the secretarial audit for the financial year 2019-20..

The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as **Annexure 2** to this Report.

Company has been recently taken over by the promoters. Since it was purchased under IBC Code there are huge post takeover formalities required to be complied with various government agencies, banks etc. Since plant was not operating for last many years initial efforts of the management were focused at commencing the commercial production. Further due to existing manpower tied up with post takeover formalities relating to commencement of commercial production there has been several non compliances on the part of the company.

(d) Internal Audit

Pursuant to provisions section 138 of Companies act 2013 read with Companies (Accounts) Rules 2014, the board on recommendation of Audit Committee appointed Thigale Utturkar and Associates Chartered Accountants as the Internal Auditor of the Company. The Management regularly reviews the findings of the Internal Auditor and takes effective steps to implement suggestions of the Internal Auditor.

CORPORATE RESPONSIBILITY STATEMENT (CSR):

The Company is not required to spend any amount for CSR activities at present.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The information as required under Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

A. Conservation of energy:

The Company has been taking various steps and measures to improve efficiency in use of energy and optimize conservation of the energy by increasing the efficiency of raw material inputs in power generation and by reducing/eliminating wastages and reducing consumption of power and fuel. LED tubes fitted to save the energy and also proper power banks introduced whenever necessary. In spite, Conservation of energy and improving the efficiency of existing resources is continuing processes and form an integral part of responsibilities of departmental heads of the Company.

B. Technology absorption:

During the year under review, the Company had purchased various new machineries. The Company has also replaced spares parts of old machineries to make it functional. The resulted and helped company to start commercial production of yarn.

c. Foreign exchange earnings and Outgo:

Particulars	Current Year		Previous Year	
	In `	In USD	In `	In USD
Foreign Exchange Earnings	Nil	Nil	Nil	Nil
Foreign Exchange Outgo	Nil	Nil	Nil	Nil

VIGIL MECHANISM

The Company has framed and implemented a vigil mechanism named as Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and also hosted on the website of the Company.

During the year under review, the Company has an Internal Complaint Committee as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and, there were no complaint received during the year.

PERFORMANCE OF EMPLOYEES:

- 1) The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Name of Director /KMP	Designation	Remuneration of Directors/KMP for the year ended 31st March 2020 (Rs)	Ratio to median Remuneration	% Increase in remuneration for the year ended 31st March 2020
Deepak Choudhari	Director	NIL	NA	NA
Jitendrakumar Chopra	Managing Director	NIL	NA	NA
Sharmiladevi Chopra	Non Executive Director	NIL	NA	NA
Amol Kanwade	Independent director	NIL	NA	NA
Satish Murabatte	Independent director	NIL	NA	NA
Mahaveer Bhandari	Independent Director	NIL	NA	NIL
Shreyans Choudhari	CFO	NIL	NA	NIL
Aniruddha Badkatte	Company Secretary and Compliance Officer	241069	1.35	NIL

2) Details of the top ten employees of the Company in terms of remuneration drawn as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014 :

Sr. No.	Name of employee	Designation	Remuneration	% of Equity Shares held in the Company
1	KShrikant Patil	Unit Head	51000	0
2	Sachin Shete	General Manager Production	85000	0
3	Suryakant Patil	Electrical Engineer	40,000	0
4	Raviraj Patil	Maintenance Manager	40,000	0
5	Sanjay Patil	Production Manager	40,000	0
6	Ajay Patil	Production Manager	40,000	0
7	Annasaheb Patil	HR Manager	31,000	0
8	Tatyaso Patil	Winding Supervisor	25000	0
9	Aniruddha Badkatte	Company Secretary	21000	0
10	Satappa M Borwadkar	Accounts Incharge	20,000	0

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

The Company does not have Subsidiary/Joint Ventures/Associate Companies.

RISK MANAGEMENT:

The Board of the Company has formed a Risk Management Committee in accordance with the provisions of the Act and Regulation 17(9) of the Listing Regulations. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Policy to manage risk is also placed on the website of the Company. During the year, risk analysis and assessment was conducted and the details of the same are covered in the Management Discussion and Analysis Report of the Company.

FAMILIARIZATION PROGRAMME:

Pursuant to Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the Company has formulated a programme for familiarizing the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives. Details of the Familiarization Programme of the Independent Directors are available on the website of the Company.

VIGIL MECHANISM

The Company has framed and implemented a vigil mechanism named as Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and also hosted on the website of the Company.

During the year under review, the Company has an Internal Complaint Committee as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and, there were no complaints received during the year

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with all the applicable secretarial standards. The same has also been confirmed by Secretarial Auditors of the Company.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any equity shares lying in the demat suspense account/unclaimed suspense account of the Company as on 31 March 2020. Hence disclosures required under Part F of Schedule V of the Listing Regulations is not applicable

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant orders were passed by any court.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, financial institutions business associates, consultants, customers, suppliers, contractors and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on the Company.

For & on behalf of the Board

Deepak Choudhari
Chairman
DIN: 03175105

Place : Kolhapur
Date : 5 September 2020

ANNEXURE 1

MANAGEMENT DISCUSSION AND ANALYSIS

The management of Girnar Spentex Industries Limited (formerly known as Amit Spinning Industries Limited) presents the analysis of business performance of the company for the year 2019-20 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments.

1. TEXTILE INDUSTRY STRUCTURE

The textile industry in India is one of the world's largest, with estimated market size of US\$ 11.92 billion in FY20 (up to July 2019). Textile industry plays a significant role in the economy contributing to over 13% of the industrial output and 15% to the export earnings in FY19. The industry is closely linked and dependent on the agriculture sector in order to source raw materials such as cotton. Since both agriculture and textile are correlated and coexist the textile is one of the parameters for determining growth in the Indian economy.

The Covid-19 pandemic has majorly impacted domestic market with declining sales volume. Additionally, domestic consumption has weakened due to nation-wide closure. The impact of lower exports would result in domestic inventory accumulation which will result in lowering the prices and margins in Indian market. Various Textile Associations have approached the Government for a relief packages for the textile sector to mitigate the scenario.

2. OPPORTUNITIES AND THREATS

Opportunities

India's textile sector is aided by several key advantages in terms of availability of various raw materials, entrepreneurial skills, large domestic market presence of supporting industries and supporting policy initiatives of the Government.

Threats

Domestic cotton spinning industry is highly dependent on exports. Nearly 30% of the exports is to China. COVID Pandemic has impacted the exports to China. Further lockdowns have resulted in shutdown of production units in the country.

Domestic cotton prices have decreased as compared to cotton prices in FY 2018-19. This was mainly due to fall in international cotton prices. The cotton prices were volatile and ruled higher as compared to yarn price. Cotton yarn prices did not correspond positively, resulting in pressure on spinners' margins.

Further the major challenge is to get available consistent and low rate power supply. Since the textile industry is mainly dependent on Power, the price of energy in Maharashtra is one of the major issues faced by the Industry. Another challenge is to manage labour turnover and labour immigration.

3. SEGMENTS WISE PERFORMANCE

The company operates in only one segment i.e. Spinning Mill Segment.

4. PRESENT SCENARIO AND OUTLOOK

Trial production commenced in the month of May 2019. Company commenced commercial production in the month of October 2019. Company could achieve turnover of Rs. 39.46 Crores during the six months ended 31-03-2020. Sales are expected to be achieved with the same pace. However it is expected to be a tough year for the textile industry and major focus shall be on cost cutting measures, improving productivity, reduction in wastage and efforts on taking quality to next level and deriving efficiency to make products further cost competitive. Further, it is proposed to make the production processes and supply chains it lean and agile and focus will be on giving improved services to customers to retain market share.

5. RISK MANAGEMENT

The Company recognises that risk is inherent in every business activity. However, managing it with efficacy is vital in order to achieve strategic objectives and long-term sustainable growth. The major risk areas are periodically and systematically reviewed by the management and risk management committee. Some of the major risks have been entailed below:

STRATEGIC RISK	PROBABLE IMPACT	MITIGATION STRATEGY
Economic Risk	Global lockdowns and Slowdown could impact demand and revenue	Cost cutting measures being implemented rigourously
Cost Risk	Volatility in raw material costs could impact overall cost of production	Holding sufficient inventory to protect itself from short term spikes
Competition Risk	Losing market share	<ul style="list-style-type: none"> ➤ Continuous focus on quality ➤ Providing end to end services to customers.
Credit Risk	Failure to make timely payments, or the credit rating or risk profile otherwise deteriorates	<ul style="list-style-type: none"> ➤ Strengthening credit control ➤ Effective collection strategy
Labour Immigration Risk	Stoppage in production Impacts quality of production	<ul style="list-style-type: none"> ➤ Retaining labour with facilities for stay ➤ Strategies for maintaining cordial relations

6. HUMAN RESOURCE MANAGEMENT

The management has cordial and harmonious relations with its employees. It considers manpower as its assets and that the people had been the driving force for the growth of the company. The Company's HR policy aim to develop and train each individual to perform to his fullest capacity, achieving individual excellence and at the same time achieving the Company's Goals. The shortage of man power due to immigration in the COVID Pandemic has become a severe problem and efforts have been taken to mitigate the same.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's well-articulated internal control systems ensure the achievement of its operational, compliance and reporting objectives. It has adequate policies and procedures in place, for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of internal controls. They are regularly reviewed to ensure both, relevance and comprehensiveness, and compliance is ingrained into the management review process. The audit committee regularly reviews the adequacy of controls of the key processes. It makes note of the audit observations and takes corrective actions, if necessary. It maintains a constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

8. KEY FINANCIAL PARAMETERS (Rs. Crores)

Ratio	Formula	2019-20 (Working)	2018-19 (Working)	2019-20 Ratio	2018-19 Ratio
Debtors Turnover Ratio*	Net Credit sales	3946.45	-	28.30	-
	Average Accounts Receivable	139.42	-		
Inventory Turnover Ratio	Cost of goods sold	2700.57	-	5.70	-
	Average Inventory	473.57	-		
Interest Coverage Ratio**	Earning Before Interest & Taxes (EBIT)	141.45	-	34.25	-
	Interest expenses	4.13	-		
Current Ratio	Current assets	968.84	237.85	0.51	0.07
	Current Liabilities	1898.49	3640.41		
Debt Equity ratio	Total liabilities	8617.29	95869.96	4.19	NA

	Total shareholders' Equity	2058.48	(83126.95)		
Operating Profit margin (%)***	Operating Income	141.45	-	0.04	-
	Sales Revenue	3946.45	-		
Net Profit Margin (%)****	Net profit	(983.27)	-	(0.25)	-
	Revenue	3946.45	-		
Return on Net Worth	Net Income	(2198.27)	-	NA	NA
	Shareholders' Equity	(85304.12)	-		

*** Since Commercial Production started in year 19-20, there is huge variation in the ratios.

9. CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis relating to the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results might differ materially from those expressed or implied depending upon factors such as climatic conditions, global and domestic demand-supply conditions, raw materials cost, availability and prices of finished goods, foreign exchange market movements, changes in government regulations, tax structure, economic and political developments within India and the countries where the Company conducts its business and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future based on subsequent developments, information or events.

In view of the losses return on net worth is negative hence no reason for change in return on net worth is given.

ANNEXURE 2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,
GIRNAR SPINTEX INDUSTRIES LIMITED
(Formerly Known as Amit Spinning Industries Limited)
Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road,
Karvir Kolhapur 416202

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GIRNAR SPINTEX INDUSTRIES LIMITED (CIN L17100PN1991PLC190209)(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 31st 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:

1. 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 31st March 2020 according to the provisions of:
 - i. The Companies Act, 2013 and the Companies Act, 1956 ('the Act') and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii. The Depositories Act, 1996 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 Borrowings (**Not Applicable to the Company during the Audit period**).
2. 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 (Share based Employee Benefits) Regulations, 2014. **(Not Applicable to the Company during the Audit period)**
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not Applicable to the Company during the Audit period)**
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client **(Not Applicable to the Company during the Audit period)**
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period)**
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not Applicable to the Company during the Audit period)** and
- h. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR2015)
- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Listing Agreements entered into by the Company Stock Exchanges

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

1. *In terms of Regulation 30 (1) of LODR, 2015 Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material however company has not given Intimation and outcome of Monitoring committee meeting held on 15/05/2019*
2. *In terms of Regulation 20 (3A) of LODR, 2015 the stakeholders relationship committee shall meet at least once in a year however Company has not held meeting of stakeholders' relationship committee in the review period.*
3. *In terms of Regulation 33 (3) (a) and (d) of LODR 2015 Company has submitted Audited Financial Results for the quarter ended on March 31, 2019 on May 31, 2019) with delay of 1 Day and Unaudited Financial Results for the quarter ended on September 30, 2019 on November 16, 2019 with delay of 2 days*
4. *In terms of Regulation 33 (3) (d) (g) of LODR 2015 company has not submitted Cash Flow Statement alongwith unaudited Financial Results for the quarter and half year ended on September 30, 2019*
5. *In terms of Schedule B 4(2) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 company has not closed the trading window for the financial results ended on March 31, 2019and June 30, 2019.*

6. *In terms of Regulation 45 (2) of LODR, 2015 Company has not obtained In-principal approval from Stock Exchanges for Change in the name of Company.*
7. *In terms of SCHEDULE V of LODR, 2015 Management Discussion and Analysis Report for the year 2018-19 is not comprehensive and do not cover mandatory information required pursuant to Schedule V of LODR further the company has not given Certificate from PCS that none of director is debarred or disqualified from being appointed as a Director of the company and Annual Report do not include total fees paid to Statutory Auditor for all services and details of non compliance by the company and penalties imposed by the exchange in last 3 years.*
8. *In terms of Regulation SCHEDULE III of LODR 2015 (7B of Para A of Part A) Mr. Mahaveer Bhandari, Mr. Satish Murabatte and Mr. Amol Kanwade , Independent Directors of the company resigned during the review period. The Independent Director and the Company has not given detailed reason of resignation of Independent Directors.*
9. *In terms of Regulation 117 the company was required to file Form MGT-14 for resolution passed in the meeting of Board of Directors on 18-06-2019 for adoption of Financial Statements however company has not filed the same*
10. *In terms of Regulation 117 the company was required to file Form MGT-14 for resolution passed in the meeting of Board of Directors on 26-08-2019 for approval of Directors Report and its corporate actions as per NCLT order dated 31-07-2018 however company has not filed the same*
11. *In terms of Rule 8 of The Companies (Appointment and Qualification of Directors) Rules, 2014 company has not filed Form DIR-12 for appointment of Mahaveer Bhandari, Mr. Satish Murabatte and Mr. Amol Kanwade in the Annual General Meeting held on 26-09-2020.*
12. *In terms of Rule 15 of The Companies (Appointment and Qualification of Directors) Rules, 2014 company has not filed Form DIR-12 for resignation of Mahaveer Bhandari, Mr. Satish Murabatte and Mr. Amol Kanwade in the on 14-02-2020, 25-02-2020 and 24-02-2020 respectively.*
13. *In terms of section 82(1) the companies act 2013 company has not filed for CHG-4 for satisfaction of charge of Bank of Baroda*
14. *In terms of Rule 6 of The Companies (Significant Beneficial Owners) Rules, 2014 company has not sent notice seeking information in accordance with under sub-section (5) of section 90, in Form No. BEN-4 hence in non compliance of filing Form BEN-2.*
15. *In terms of section 134 (3) read with Rule 8 of the Companies (Accounts) Rules, 2014 Company has not disclosed several disclosures in Boards Report dated 26-08-2019.*

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under following specific laws applicable to the Company:

- a. Textile Committee Act, 1963
- b. Textile (Development & Regulation) Order, 2001
- c. Textile (Consumer Protection) Regulations, 1988
- d. The Sick Industrial Companies (Special Provisions) Act, 1985
- e. The Insolvency and Bankruptcy Code, 2016 and related Rules and Regulations

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 except those mentioned above.

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.

Decisions at the Board Meetings and committee meetings were taken unanimously.

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 reports that during the audit period there were following specific events / actions occurred which are having a major bearing on the company's affairs:

- a. Hon'ble NCLT, Principal Bench, New Delhi approved the resolution plan for Company on 31.07.2018 as submitted by Mr. Deepak Chaganlal Choudhari and Mr. Jitendra Kumar Chopra being the Resolution Applicants. After that various corporate actions like reduction of face value of shares, consolidation of face value of shares, extinguishment and allotment of shares that was required to be executed has been put on hold.

**For, PPS & Associates
Company Secretaries**

**Shrenik Nagaonkar
Partner**

**FCS No.: 7067 C P No.: 11682
UDIN: F007067B000670059**

**Place: Kolhapur
Date: 05 September 2020**

**The Members,
GIRNAR SPINTEX INDUSTRIES LIMITED
(Formerly Known as Amit Spinning Industries Limited)**
Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road,
Karvir Kolhapur 416202

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**For, PPS & Associates
Company Secretaries**

**Shrenik Nagaonkar
Partner
FCS No.: 7067 C P No.: 11682**

**Place: Kolhapur
Date: 05 September 2020**

CERTIFICATE ON DEBARRING AND DISQUALIFICATION OF DIRECTORS OF THE COMPANY

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

To,
The Members,
GIRNAR SPINTEX INDUSTRIES LIMITED
(Formerly Known as Amit Spinning Industries Limited)
Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road,
Karvir Kolhapur 416202

We have examined the relevant books, papers, minutes books, forms and returns filed, Notices received from the Directors during the last financial year, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives of GIRNAR SPINTEX INDUSTRIES LIMITED (CIN L17100PN1991PLC190209) (“the Company”) having its Registered office at Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road, Karvir Kolhapur 416202 for the purpose of issue of a Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (LODR), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment
1	Deepak Chaganlal Choudhari	03175105	10/08/2018
2	Sharmiladevi Jitendrakumar Chopra	08196831	10/08/2018
3	Jitendrakumar Goutamchand Chopra	08196887	10/08/2018

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

**For PPS & Associates
Company Secretaries**

**Place: Kolhapur
Date: September 5, 2020**

**Shrenik Nagaonkar
Partner
FCS No. 7067 CP No. 11682
UDIN: F007067B000671797**

Report on Corporate Governance

1. company's philosophy on corporate governance

The Company's philosophy on Corporate Governance encompasses to have a set of system and practices to ensure that the affairs of the Company are being managed in a manner which ensures accountability, transparency and fairness in all transaction in widest sense. This is ensured by carefully balancing the complex inter-relationship of Board of Directors and various departments such as Internal Audit, Finance, and Compliance and by conducting business with a firm commitment to values to enhance long term shareholders values.

2. Board of Directors

The Board of Directors of the Company comprises of 6 Directors. Out of the 6 Directors 2 are executive Directors and 3 independent Directors and remaining one is non-executive Director. The composition of the Board is in conformity with requirements as stipulated under Regulation 17 of SEBI (LODR) Regulations 2015.

During the year under review, Eight meetings of the Board of Directors were held and the gap between two meetings did not exceed 120 days (as stipulated by law in force). The respective dates on which the Board Meetings were held are 31 May 2019, 18 June 2019, 29 June 2019, 14 August 2019, 26 August 2019, 16 November 2019, 31 December 2020, 14 February 2020. The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below:

Directors	Category	No. of Board Meeting Attended	No. of Directorships and Chairmanship(s)/ Membership(s) of Board/Committees of other companies			Attendance at the last AGM
			Directorship #	Member ##	Chairperson	Yes / No
Deepak Choudhari	Executive Director	8	1	-	-	No
Jitendrakumar Chopra	Executive Director	7	-	-	-	Yes
Sharmiladevi Chopra	Non Executive Director	6	-	-	-	No
Satish Murabatte	Independent Director	8	-	-	-	Yes
Amol Kanwade	Independent Director	8	-	-	-	Yes
Mahaveer Bhandari	Independent Director	7	-	-	-	Yes

In accordance with Regulation 26 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all Public Listed Companies (excluding Girnar Spintex Industries Limited) have been considered.

Further the Board Appointed Siddhant Patil, Pruthveesh Shetti on 31 July 2020 and Vijay Dudharkar on 5 September 2020 as an Additional Director (Non Executive Independent).

During the year under review, Mahaveer Bhandari, Amol Kanwade and Mr. Satish Murabatte resigned w.e.f 14 February 2020, 24 February 2020 and 25 February 2020 respectively due to preoccupation and other commitments.

Except Mr. Jitendrakumar Chopra and Sharmiladevi Chopra who are husband and wife none of other directors are related to each other.

None of non executive directors hold shares in the Company.

Familiarisation programme for independent directors is available on the website of Company i.e www.girnarspintex.com.

Matrix setting out core skills expertise, competencies is given in director's report.

We the Board hereby confirm that Independent directors fulfil the conditions specified in SEBI (LODR) 2015.

3. Brief resume of Directors as on 5 September 2020 and nature of their expertise in specific functional areas:

Deepak Choudhari

Mr. Deepak Chaganlal Choudhari, aged 45 years, is a Commerce Graduate from Shivaji University, Kolhapur and has over 21 years of experience in Yarn Manufacturing and Fabric Processing Business.

Jitendrakumar Chopra

Mr. Jitendra Chopra, aged 38 years, has done Post Graduation in Commerce from Shivaji University, Kolhapur and has over 12 years of experience in Yarn Trading and Processing Business. He is the proprietor of M/s Universal Cottex and many small SSI firms which is into Weaving Business through Powered Looms.

Sharmiladevi Chopra

Mrs. Sharmiladevi Chopra has done graduation in commerce from pali rajasthan and has 8 years of experience in yarn trading and processing business.

Pruthveesh Shetti

Mr. Pruthveesh Shetti has completed his MBA in Marketing. He has experience of 4 years working as counselor. Currently he is working as an counselor at various educational institutions. Further he has an excellent academic and Professional record.

Siddhant Patil

Mr. Siddhant Patil is a commerce graduate and pursuing CA. Further he works in a CA Firm and has an experience in the field of taxation, Audit and corporate laws. Further he has experience in audit of several corporates including Manufacturing Companies, Textile, software etc.

Vijay Dudharkar

Mr. Vijay Dhudharkar is qualified chartered accountant, and a commerce graduate. He has an experience of Banking Audit, Information system Audit, GST- Goods and service tax audit, Income tax and project financing.

He is also working as Chairman of Ichalkaranji Branch of ICAI. He is also working as expert director as rental Sahakari Bank Ltd. Rental.

4. Code of Conduct

The Board of Directors has adopted the Code of Conduct and ethics for Directors, Senior Management and designated employees. The Code has also been posted on its company's website www.girnarspintex.com. The declaration in compliance with Clause(D) of Schedule V of the SEBI (LODR) Regulations, 2015 is given below:

To The Shareholders of Girnar Spintex Industries Limited

Sub: Declaration on Compliance with Code of Conduct as required under Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

Dear Sirs,

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as adopted by the Board of Directors for the year ended 31st March, 2020 in terms of Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Place:Kolhapur

Deepak Choudhari **Jitendrakumar Chopra**
Chairman Managing Director

5. Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has adopted a Code of Conduct for Prohibition of Insider Trading. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished

price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. All Directors, designated employees and connected persons have affirmed compliance with the code. The Code is available on the website of the Company at www.girnarspintex.com.

6. Maintenance of Website

In order to ensure / enhance public dissemination of all basic information about the Company, we have been maintaining functional website containing basic information about the Company. The Website of the Company is www.girnarspintex.com.

7. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

Nature of Payment	F.Y. 2019-20
Statutory Audit	2,50,000
Tax Audit	---
Other Services Includes reimbursement of expenses	---
Total	2,50,000

8. Board Committees

Audit Committee

The Audit Committee consisted of three Non-Executive Independent Directors and one Executive Director, namely Mr. Vijay Dudharkar (Non-Executive/Independent Chairman) and Mr. Siddhant Patil (Non-Executive Independent Member) and Mr. Pruthveesh Shetti (Non- Executive Independent Member)and Mr. Deepak Choudhari (Executive Director). The members have the requisite accounting and related financial management expertise. Statutory Auditors and Internal Auditors are invited to the meetings of Audit Committee for presenting their periodical reports.

During the year under review, Mahaveer Bhandari, Amol Kanwade and Mr. Satish Murabatte members of Audit Committee resigned w.e.f 14 February 2020, 24 February2020 and 25 February 2020 respectively.

The terms of reference / powers of the Audit Committee include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the listed entity with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. To review the function of the Whistle Blower Mechanism.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. To look into the payment being made to the depositors, creditors and shareholders in case of dividend declared and reasons for substantial defaults/delay if due amount has not paid as per statutory due date.

During the year, four meetings of the Audit Committee were held on 31 May 2019, 18 June 2019, 14 August 2019, 16 November 2019, 14 February 2020. The details of attendance of the each member at the Audit Committee are given herein below:

Name of the Director	No. of Meetings Attended
Mr. Deepak Choudhari	5
Mr. Satish Murabatte	5
Mr. Amol Kanwade	5
Mr. Mahaveer Bhandari	4

Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board has been constituted to review/recommend the remuneration package of the Managing Director/Whole Time Director(s)/Managers based on performance and defined criteria. The Nomination & Remuneration Committee of the Board comprises of Independent/Non-Executive Directors namely Vijay Dudharkar, Pruthveesh Shetti, and Siddhant Patil. During the year under review, Mahaveer Bhandari, Amol Kanwade and Mr. Satish Murabatte members of Nomination and Remuneration Committee resigned w.e.f 14 February 2020, 24 February 2020 and 25 February 2020 respectively.

During the year under review, Meeting of Nomination and Remuneration committee was held on 31 May 2019.

Details of remuneration paid to Directors for the financial year 2019-20 are as under:

Name of Director	Category	Sitting Fee for Board Meetings (Rs.)	Sitting Fee for Remuneration Committee Meetings (Rs.)	Sitting Fee for Audit Committee Meetings (Rs.)	Salaries and Perquisites p.a. (Rs.)	Total (Rs.)
Mr. Deepak Choudhari	Chairman	NIL	NIL	NIL	NIL	NIL
Mr. Jitendrakumar Chopra	Managing Director	NIL	NIL	NIL	NIL	NIL
Mrs.Sharmiladevi Chopra	Non executive Director	NIL	NIL	NIL	NIL	NIL
Mr. Satish Murabatte	Non Executive Director	NIL	NIL	NIL	NIL	NIL
Mr. Amol Kanwade	Non Executive Director	NIL	NIL	NIL	NIL	NIL
Mahaveer Bhandari	Non Executive Director	NIL	NIL	NIL	NIL	NIL

Mr. Amol Kanwade, Mr. Satish Murabatte, Mr. Mahaveer Bhandari and Mrs.Sharmiladevi Chopra had informed the Board of Directors that they would not take sitting fee till the company earns adequate profits, accordingly company is not paying sitting fee to them. Further Mr. Jitendrakumar Chopra, Managing Director and Mr. Deepak Choudhari Chairman have not taken their salaries till date.

Stakeholders Relationship Committee:

The Company has constituted stakeholders relationship committee comprising of three independent directors.

The purpose of formation of Committee is to, *inter alia*, to approve issue of duplicate share certificates and oversee and review all matters connected with the transfer of securities. The Committee also reviews the performance of the Registrar and Transfer Agent besides supervising the mechanism of investor grievance redressal to ensure cordial investor relationship.

Satish Murabatte was head the Committee and Aniruddha Badkatte, Company Secretary and compliance officer of Company. The Committee was Comprised of Mr. Amol Kanwade, Mr. Satish

Murabatte, Mr. Mahaveer Bhandari. Post resignation of these independent Directors now Committee consist of Vijay Dudharkar, Pruthveesh Shetti, and Siddhant Patil. During the year under review no complaint was received.

Meeting of Independent Director:-

As mandated by the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate meeting of Independent Directors was held on 14th February, 2020 for annual evaluation of the following;

- the performance of non-independent directors and the Board of directors as a whole;
- the performance of the Chairperson of the Company, taking into account the views of non-executive directors;
- the quality, quantity and timeliness of flow of information between the company management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

9. General Body Meetings

(A) Annual General Meetings:

Details of last three Annual General Meetings and the Special Resolutions passed thereat are as under:

AGM	LOCATION	DATE & TIME	Special Resolution passed
25 th AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	25 th September, 2017 11:30 A.M.	None
26 th AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	27 th September 2018 11.30 AM	Appointment of Jitendrakumar Chopra as Managing Director and Deepak Choudhari as Joint Managing Director was made by passing Special Resolutions
27 th AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	26 th September 2019	1. Change in Name of the Company from Amit Spinning Industries Limited to Girnar Spintex Industries Limited. 2. Shifting of registered office from Delhi to

		11.30 AM	Maharashtra.
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(B) Special Resolution passed through Postal Ballot:

No special resolution was passed through postal Ballot during the year 2019-20. Further no resolution is proposed to be conducted in ensuing AGM.

(c) E-Voting

In term of Section 108 of Companies act 2013 relevant rules and in terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Retirements) Regulations 2015 the necessary facility will be provided.

(d) Disclosure with respect to demat suspense account/ unclaimed suspense account

As on March 31, 2020 there are no shares lying in the demat suspense account or unclaimed suspense account.

(e) Reconciliation of share capital audit

In terms of the provisions of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by M/s. PPS & Associates, Practicing Company Secretaries. The said report is also submitted to BSE Limited & National Stock Exchange of India Limited.

(f) Compliance with Indian Accounting Standards (Ind-AS)

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind-AS) notified by Ministry of Corporate Affairs from time to time. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

(g) Familiarization Programme Imparted For Independent Director and Performance & Evaluation Criteria of the Same

In terms of regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Company has also conducted familiarization programs to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc. The details of such familiarization programs are also available on the website of the Company.

10. Means of Communication

- Information on quarterly/ half yearly/annual financial results and press releases on significant developments in the Company, are submitted to the Stock Exchanges immediately after Board approves the same to enable stock exchanges to put the results on their websites and communicate to their members and also available on website of the Company. Regular official news releases are also available on website of the Company. We have not made any presentation to institutional investors/analysts.
- The quarterly/half-yearly/annual financial results are published in The Pioneer (English& Hindi) newspaper and the same are also displayed on company's website. After shifting of registered office the advertisement are given in Sakal and Financial Express.

11. General Shareholder information:

a. Annual General Meeting:

Date	Wednesday, September 30, 2020
Time	11.30 a.m.
Venue	NA (Virtual AGM)

b. Financial Calendar 2020-21 (tentative) :

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March: (Results for the quarter ending)

June 30, 2020	: On or before August 14, 2020
September 30, 2020	: On or before November 14, 2020
December 31, 2020	: On or before February 14, 2021
March 31, 2021	: On or before May 30, 2021
Annual General Meeting	: On or before September 30, 2021

c. **Financial Year:** April 1, 2020 – March 31, 2021

d. **Date of Book closure:** September 24th,2020 – September 30th ,2020 (Both days inclusive)

e. **Dividend payment date:** Not Applicable

f. **Credit Rating:** Not obtained

g. **Listing of Stock Exchange:**

Sr. No.	Name	Address
1.	BSE Limited (Stock Code: 521076)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
2.	National Stock Exchange of India Limited (ASIL)	Exchange Plaza, 5 th Floor, Plot No.C/1, G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051

The Company has not paid the annual listing fees for the financial year 2019-20

12. Distribution Schedule as on 31.03.2020

No. of Shares	No. of Shareholders	Percentage	No. of Shares	Percentage
1 to 5000	1710	98.70	5144039	12.49
5001 to 10000	108	0.62	816187	1.98
10001 to 20000	54	0.31	770445	1.87
20001 to 30000	18	0.10	422707	1.03
30001 to 40000	8	0.05	260561	0.63
40001 to 50000	9	0.05	407044	0.99
50001 to 100000	11	0.06	770725	1.87
100001 and above	17	0.10	32577959	79.13
TOTAL	17335	100.00	41,169,667	100.00

13. Category of Shareholders as on :31.03.2020

Category	Shares held	%age
Promoters	2,09,81,077	50.96
Financial Institutions/Insurance Companies/ Banks/Mutual Funds/Trust	100	00
NRIs/OCBs/Foreign Nationals	365301	0.89
Body Corporate(s)	887186	2.15
Public and Others	18936003	46.00
Total	4,11,69,667	100.00

14. Market Price data

The equity shares of the Company are traded at BSE Limited and at National Stock Exchange of India Ltd., Mumbai. But due to procedural reasons suspended due corporate action as per NCLT Order w.e.f 15 February 2019 and hence no market price data available. Therefore Comparison with indices is not given.

15. Details of Registrar and Share Transfer Agent

The Registrars and Transfer Agents of the Company: RCMC Share Registry Pvt. Ltd., B-25/1, First Floor, Near Rana Motors, Okhla Industrial Area Phase 2, New Delhi-110020. Tel. No. 011-26387320 / 011-26387321 and Fax No.011-26387322. E-mail ID investor.services@rcmcdelhi.com.

Contact person: Mr. Rakesh Kumar, Email: mdnair@rcmcdelhi.com Share Transfer System: The Company's shares are traded under compulsorily D-mat mode. Shares in physical mode lodged for transfer are processed and returned to the shareholders within the stipulated time.

16. Dematerialization of Shares and Liquidity

The equity shares of the Company are available for demat at NSDL and CDSL. As on 31.03.2020 39142447 equity shares are in dematerialised representing 95.07% total number of shares.

17. Outstanding GDR/ADR/ Warrants or any Convertible instruments, Conversion date and likely impact on equity

There are no outstanding GDR/ADR/Warrants or any Convertible instruments, Conversion date and likely impact on equity

18. Commodity Price Risk / Foreign Exchange Risk

For Company's business, cotton is the key raw material/ commodity and the company is exposed to price variation in cotton. The Company regularly monitors cotton prices and take appropriate decisions to minimize the risks. During the year under review, the Company has not done any commodity hedging on the exchanges. As regards foreign exchange risks, the Company evaluates foreign exchange rate exposure arising from these transactions and take appropriate steps to mitigate such exposure and to minimize the impact of volatility in foreign exchange fluctuations on the earnings.

19. Plant Location :

Gat No. 47 & 48, Sangwade, Kolhapur Hupari Road, Kolhapur 416202.

20. Address for Correspondence :

1. Registered & Corporate Office

Gat No. 47 & 48, Sangwade, Kolhapur Hupari Road, Kolhapur 416202.

Email: secretarial@gimarspintex.com

2. Registrars & Transfer Agents

RCMC Share Registry Private Ltd.

B-25/1, Okhla Industrial Area, Phase-2, Near Rana Motors New Delhi- 110020. Ph. No. 011-26387320 /011-26387321 & Fax No. 011-26387322.

Contact person

Mr. Rakesh Kumar

Email:mdnair@rcmcdelhi.com

investor.services@rcmcdelhi.com

3. Compliance Officer

Mr. Aniruddha Badkatte

Gat No. 47 & 48, Sangwade, Kolhapur Hupari

Road, Kolhapur 416202.

Ph. 7038094545

Email: secretarial@girnarspintex.com

21. Other Disclosures:

- | | | |
|---|---|---|
| 1 | Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large; | No related Party Transaction took place during the period |
| 2 | Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; | Due to late filing of financial results for quarter ended on September 2018, Year ended on March 31,2019 and quarter ended on September 2019 both the exchanges have imposed penalties on the Company.
Due to late filing of shareholding pattern for quarter ended December 2018 both the exchanges have imposed penalties on the Company.

Stock exchange has issued warning for not obtaining Inprinciple approval for change in name of the Company. |
| 3 | Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements; | Company has issued circular in connection with Visual Mechanism/Whistle Blower Policy and no employee was denied the access to the Audit Committee.
The Company has complied with Mandatory requirements. Non Mandatory requirements has not been adopted. |
| 4 | web link where policy for determining 'material' subsidiaries is disclosed; | www.Girnarspintex.com |
| 5 | web link where policy on dealing with related party transactions; | www.Girnarspintex.com |
| 6 | disclosure of commodity price risks and commodity hedging activities. | Already discussed in this report. |
| 7 | where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: | Board has accepted all the recommendations of the Audit Committee. |

Non-compliance of any requirement of corporate governance report of sub paras (2) to (10) above, with reasons thereof following non compliance with respect to corporate governance provisions happened inadvertently during the year 2019-20.

- 22.** In terms of Reg 20 (3A) of LODR 2015, Company has not held meeting of stakeholders' relationship committee in the review period. Hence the company has not complied with the requirements of Regulation Reg 20 (3A) of LODR 2015.
- 23.** In terms of SCHEDULE V of LODR 2015
- a. Management Discussion and Analysis Report is not comprehensive and do not cover mandatory information required pursuant to Schedule V of LODR
 - b. Company has not given Certificate from PCS that none of director is debarred or disqualified from being appointed as a Director of the company.
 - c. Further Annual Report do not include total fees paid to Statutory Auditor for all services and details of non compliance by the company and penalties imposed by the exchange in last 3 years

24. ADOPTION OF DESCRETIONARY REQUIREMENT

No discretionary requirement has been adopted by the Company.

25. CEO and CFO Certificate

To,
The Board of Directors
Girnar Spintex Industries Limited

Sub: CEO/CFO Certificate

We, Jitendrakumar Chopra, Managing Director and Shreyans Choudhari, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee;

- (i) Significant changes in internal controls over financial reporting, during the year.
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
- (iii) Instances of significant fraud of which we have become aware, if any, and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Kolhapur
Date: 07.08.2020

Jitendrakumar Chopra
Managing Director

Shreyans Choudhari
Chief Financial Officer

Certificate on Corporate Governance

(Pursuant to Clause E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015

The Members,

GIRNAR SPINTEX INDUSTRIES LIMITED

(Formerly Amit Spinning Industries Limited)

Gat No. 47 & 48, Sangwade, Hupari Kolhapur Road,
Karvir Kolhapur 416202

We have examined the compliance of conditions of corporate governance by GIRNAR SPINTEX INDUSTRIES LIMITED (CIN L17100PN1991PLC190209)(“the Company”) for the year ended on 31st March, 2020 as stipulated in regulations 17 to 27 and clause (b) to (i) of regulations 46(2) and para C and D of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31st March, 2020 as stipulated in the above mentioned Listing Regulations, as applicable except

26. In terms of Reg 20 (3A) of LODR 2015, Company has not held meeting of stakeholders’ relationship committee in the review period. *Hence the company has not complied with the requirements of Regulation Reg 20 (3A) of LODR 2015.*

27. In terms of SCHEDULE V of LODR 2015

- d. Management Discussion and Analysis Report is not comprehensive and do not cover mandatory information required pursuant to Schedule V of LODR
- e. Company has not given Certificate from PCS that none of director is debarred or disqualified from being appointed as a Director of the company.
- f. Further Annual Report do not include total fees paid to Statutory Auditor for all services and details of non compliance by the company and penalties imposed by the exchange in last 3 years.

We hereby state that our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Regulations. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, PPS & Associates
Company Secretaries**

**Place: Kolhapur
Date: September 05,2020**

**Shrenik Nagaonkar
Partner
FCS No.: 7067 C P No.: 11682
UDIN: F007067B000671821**

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Girnar Spintex Industries Limited
(Formerly Known as Amit Spinning Industries Limited)

Report on the Audit of Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of **GIRNAR SPINTEX INDUSTRIES LIMITED**, ("The Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2020, its loss and its cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. Impairment loss, if any, needs to be accounted for by the company by forecasting its cash flow to analyze whether the cost of the asset is recoverable or not.
2. Due to non-availability of sanction from SEBI the effect of reduction in the share capital is still to be given in the accounts. On giving effect to this the share capital of the company will get reduced by Rs.1852.63 Lakhs. Accordingly, the liabilities written back and the assets written off as a result of approved resolution plan by NCLT stands credited to Insolvency and Bankruptcy Reserve the balance in which as on 31.03.2020 is Rs.1,24,79,07,322/-

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements. The

results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.

Key Audit Matters	How our audit addressed the key audit matter
The company has revalued its assets during the year. Also the company has re-estimated the remaining useful life of various fixed assets.	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained and verified the Revaluation Reports by the valuers. Verified the basis for revaluation and re-estimation of remaining useful life of various fixed assts. • Verification of entries passed for giving effect to the revaluation amounts incorporated in the books and consequent depreciation working. • Transfer of revaluation effects to Revaluation Reserves.
Exceptional Items of Expenses on account of disposal of substantial part of old machinery	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained the details of machinery sold during the year, being its original cost, accumulated depreciation and written down value as on the date of sale. • Verification of sale transaction on the basis of underlying documents. • Classification of NET loss on sale as 'Exceptional Item of expenses' in view of its quantum vis-à-vis overall financials of the company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS Financial Statements and our auditors' report thereon.

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding of 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 the 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS 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 Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

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 Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) we have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the

applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

- e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note B-2 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts which there were any material foreseeable losses.
 - (iii) The company is not liable for contribution to the Investor Education and Protection Fund.

SANJAY VHANBATTE AND COMPANY

Chartered Accountants
FRN NO.112996W

Place: Kolhapur
Date: August 7, 2020
UDIN: 20044808AAAAHD6071

SD/-
CA. S. M. VHANBATTE
PROPREITOR
M.No.44808

Annexure A of our report of even date to the members of Girnar Spintex Industries Ltd. (Formerly Known As Amit Spinning Industries Limited) on the accounts of the company for the year ended 31st March, 2020

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i)
 - a. The Company's records of fixed assets need improvement inasmuch as the records now maintained need to have full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, the fixed assets are physically verified by the management during the year after the taking over by the new management, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets; as informed to us no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed
- (iii) The company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments, provided any guarantees or given any security attracting the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) The turnover of the company during the immediately preceding financial year being less than Rs.35 Crores, the company is not liable to maintain cost records for the year under audit.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues, including, Income-tax, GST, and other material statutory dues, as applicable, with the appropriate authorities.

(b) The arrears of **undisputed outstanding statutory dues** as on the last day of the financial year concerned for a period of more than six months from the date they became payable: It is claimed by the company that, as per the order of NCLT approving Resolution Plan of the Company under IBC all statutory dues pertaining to the period prior to the date of NCLT order stand resolved and no dues remain payable.

(c) **Disputed Statutory Dues:** According to the records of the Company, there are following dues of Income-tax, Sales-tax, Gram panchayat Tax and water charges remaining un-deposited as on March 31, 2020. The company disputes the liability in view of the order of NCLT dated 31.07.2018 approving Insolvency Resolution Plan of the Company.

Name of Department	Section	Remarks	Year	Demand Amount
TDS	26Q	Quarter 1-2007-08	2007-08	113,120
	26Q	Quarter 4-2007-08	2007-08	79,630
	26Q	Quarter 4-2009-10	2009-10	11,200
	24Q	Quarter 4-2011-12	2011-12	30,270
	24Q	Quarter 4-2012-13	2012-13	35,240
	24Q	Quarter 4-2013-14	2013-14	225,560
	26Q	Quarter 3-2014-15	2014-15	6,920
	24Q	Quarter 4-2014-15	2014-15	27,760
	26Q	Quarter 4-2014-15	2014-15	15,600
	27EQ	Quarter 4-2014-15	2014-15	9,010
	24Q	DCIT Appeal dismissed and Filed to ITAT	Quarter 1-2015-16	8,600
	26Q	DCIT Appeal dismissed and Filed to ITAT	Quarter 1-2015-16	8,600
	Q1	DCIT Appeal dismissed and Filed to ITAT	2016-17	135,150
VAT		2,00,000 paid as Security deposit	2004-05	12,44,000
VAT		16,94,614 amount adjusted against liability	2009-10	26,59,004
VAT	Section 23(2) of MVAT Act	Ex-party assessment order has been passed	F.Y. 2012-13	691,194
CST	Section 23(2) of MVAT Act	Ex-party assessment order has been passed	F.Y. 2012-13	1,305,089
Gram panchayat		Demands by gram panchayat	2014-15 TO 18-19	19,52,468
Irrigation		Dues	2014-15 To 17-18	6,85,039

Note : All above dues have been waived off as per resolution plan approved by NCLT.

- (viii) In our opinion and according to the information and explanations provided by the management, the company is not defaults in repayment of loans or borrowing to banks which are borrowed after change in management consequent to implementation of Insolvency Resolution Plan approved by NCLT. The Company has no dues towards financial institutions or debenture holders.
- (ix) In our opinion and according to the information and explanations provided by the management, the term loans raised by the company during the year have been utilized for the purpose for which they were sanctioned. The Company did not raise

any money by way of initial public offer or further public offer (including debt instruments) during the year.

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year under audit.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable and hence not commented upon.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For SANJAY VHANBATTE & CO.,
Chartered Accountants
FRN NO.112996W

Place: Kolhapur
Date: August 7, 2020
UDIN: 20044808AAAHD6071

SD/-
CA. S. M. VHANBATTE
PROPRIETOR
M.No.44808

Annexure B

To the Independent Auditors' Report on the Ind AS Financial Statements of Girnar Spintex Industries Limited

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **GIRNAR SPINTEX INDUSTRIES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY 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 (the "Guidance Note") 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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Ind AS 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and payments 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 Ind AS 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020.

According to the information and explanations given to us, the company does not have documented framework of Internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

The company did not have an appropriate internal control system for obtaining confirmation from parties included under the head trade payables, loans and advances and other current liabilities and its reconciliation/consequential adjustments, if any.

The company's internal financial controls were not operating effectively in respect of the above.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 Ind AS financial statements of the Company, and these material weaknesses have affected our opinion on the Ind AS financial statements of the Company and we have accordingly issued a qualified opinion on the Ind AS financial statements.

For SANJAY VHANBATTE AND CO.,
Chartered Accountants
FRN NO.112996W

Place: Kolhapur
Date: August 7, 2020
UDIN: 20044808AAAAHD6071

SD/-
CA. S. M. VHANBATTE
PROPREITOR
M.No.44808

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)

Gat No. 47 & 48, Sangavade Village
Kolhapur - Hupri Road, Tal- Karveer,
Dist- Kolhapur, Maharashtra

Statement of Assets and Liabilities as at 31st March 2020

In ₹ (Rupees)

	Note No	Audited 31.03.2020	Audited 31.03.2019
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	B1	75,69,48,404.77	29,29,12,199.81
(b) Financial Assets			
(i) Investments	B2	22,700.00	21,700.00
(ii) Loans			
(iii) Others	B3	78,75,004.01	80,45,657.00
(c) Other non-current assets			-
Sub total-Non current assets (A)		76,48,46,108.78	30,09,79,556.81
B. Current assets			
(a) Inventories	B4	4,73,57,021.37	35,11,173.76
(b) Financial Assets			
(i) Trade receivables	B5	1,39,41,540	-
(ii) Cash and cash equivalents	B6	85,87,515.01	1,04,13,346.75
(iii) Bank balances other than (ii) above			
(iv) Loans			
(v) Others	B7	1,16,33,397.90	28,31,332.09
(c) Other current assets	B8	1,53,64,228.48	66,72,586.43
Sub total current assets (B)		9,68,83,702.76	2,34,28,439.03
C. Non-current assets classified as held for sale		-	-
Sub total current assets (C)		-	-
Total (A+B+C)		86,17,29,811.54	32,44,07,995.84
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity Share capital	B9	20,58,48,335.00	20,58,48,335.00
(b) Other Equity	B10	12,87,58,974.79	-24,45,86,744.02
Sub total-Equity (A)		33,46,07,309.79	-3,87,38,409.02
B. Liabilities			
(a) Non-current liabilities		-	-
(b) Financial Liabilities			
(i) Borrowings	B11	33,72,73,876.11	34,20,08,532.00
(ii) Other financial liabilities		-	-
(c) Provisions		-	-
Sub total-Non current liabilities (B)		33,72,73,876.11	34,20,08,532.00
C. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	B12	12,87,44,914.60	-
(ii) Trade Payables	B13	4,90,82,284.04	1,16,73,750.86
(iii) Other financial liabilities		-	-
(b) Other current liabilities	B14	1,11,80,660.00	84,10,547.00
(c) Provisions	B15	8,40,767.00	10,53,575.00
Sub total- Current liabilities (C)		18,98,48,625.64	2,11,37,872.86
Total (A+B+C)		86,17,29,811.54	32,44,07,995.84
NOTES TO THE FINANCIAL STATEMENTS	N1		

The Notes referred to above form an integral part of the Statement of Profit and Loss

As per our report of even date

For and On behalf of the Board

For **SANJAY VHANBATTE & CO**

Chartered Accountants

Firm Reg. No : 112996W

SD/-

SANJAY MADHUKAR VHANBATTE
PROPRIETOR

Membership No. : 044808

Address : CTS.NO.245,C/1,FIRST FLOOR,MAHALAXMI BANK,KOLHAPUR

Place Kolhapur

Date: 7-Aug-2020

UDIN:20044808AAAHD6071

SD/-

Jitendrakumar G Chopra
Mangaging Director

SD/-

Deepak C Choudhari
Chairman

SD/-

Sharmiladevi J Chopra
Non Executive Non
Independent Director

SD/-

Shreyansh R Choudhari
CFO

SD/-

Aniruddha S Badkatte
Company Secretary

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)

Gat No. 47 & 48, Sangavade Village

Kolhapur - Hupri Road, Tal- Karveer,

Dist- Kolhapur, Maharashtra.

Statement of Profit and Loss for the year ended 31-Mar-2020

In ₹ (Rupees)

Particulars	Note No.	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
I Revenue from Operations	P1	39,46,45,271.81	-
II Other Income	P2	7,41,951.96	-
III TOTAL REVENUE (I + II)		39,53,87,223.77	-
IV EXPENSES			
Cost of Materials Consumed	P3	27,00,57,364.54	-
Purchases of Stock-in-Trade	P4	82,67,526.72	-
Changes in Inventories	P5	-1,69,16,090.38	-
Employee Benefit Expenses	P6	79,00,356.00	13,83,436.00
Finance Costs	P7	4,13,60,045.29	1,31,95,156.50
Depreciation and Amortization Expenses	P8	2,51,98,608.50	2,78,42,753.00
Other Expenses	P9	11,19,33,200.79	1,15,39,149.24
TOTAL EXPENSES		44,78,01,011.46	5,39,60,494.74
V Profit before Exceptional and Extraordinary Items and Tax (III-IV)		-5,24,13,787.69	-5,39,60,494.74
VI Exceptional Items	P10	-4,59,13,314.00	-1,67,93,153.07
VII Profit before Extraordinary Items and Tax		-9,83,27,101.69	-7,07,53,647.81
VIII Extraordinary Items		-	-
IX Profit Before Tax		-9,83,27,101.69	-7,07,53,647.81
X Tax Expense		-	-
Current Tax		-	-
Deferred Tax		-	-
XI Profit/(Loss) for the period from Continuing Operations (IX-X)		-9,83,27,101.69	-7,07,53,647.81
XII Profit/(Loss) from Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)		-	-
XV Profit(Loss) for the Period (XI+XIV)		-9,83,27,101.69	-7,07,53,647.81
XVI Earnings per Equity Share	P11		
-Basic		-2.39	-1.72
-Diluted		-2.39	-1.72
NOTES TO THE FINANCIAL STATEMENTS	N1		

The Notes referred to above form an integral part of the Statement of Profit and Loss

As per our report of even date

For **SANJAY VHANBATTE & CO**

Chartered Accountants

Firm Reg. No : 112996W

For and On behalf of the Board

SD/-

SANJAY MADHUKAR VHANBATTE

PROPRIETOR

Membership No. : 044808

Address : CTS.NO.245,C/1,FIRST FLOOR,MAHALAXMI BANK,KOLHAPUR

SD/-

**Jitendrakumar G
Chopra**

Mangaging Director

SD/-

Deepak C Choudhari

Chairman

SD/-

Sharmiladevi J Chopra

Non Executive Non
Independent Director

SD/-

**Shreyansh R
Choudhari**

CFO

SD/-

Aniruddha S Badkatte

Company Secretary

Place: Kolhapur

Date: 7-Aug-2020

UDIN 20044808AAAAHD6071

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)

Gat No. 47 & 48, Sangavade Village

Kolhapur - Hupri Road, Tal- Karveer,

Dist- Kolhapur, Maharashtra

Property, Plant and Equipment

Note No. 1

Block of Assets / Asset Group	Gross Block				Depreciation				Net Block	
	01-04-2019	Additions	Sale/Adj.	31-03-2020	01-04-2019	For the Year	Sale/Adj.	31-03-2020	31-03-2020	31-03-2019
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
NON-DEPRECIABLE ASSETS										
LAND	50,17,299.00	38,52,22,701.00	0.00	39,02,40,000.00	0.00	0.00	0.00	0.00	39,02,40,000.00	50,17,299.00
TANGIBLE ASSETS										
BUILDINGS										
BUILDING / SHED	7,55,183.00	0.00	0.00	7,55,183.00	2,99,278.98	23,914.13	0.00	3,23,193.11	4,31,989.89	4,55,904.02
FACTORY BUILDING	9,44,11,134.00	2,64,27,458.00	0.00	12,08,38,592.00	-1,19,63,395.65	38,26,555.41	0.00	-81,36,840.24	12,89,75,432.24	4,39,93,713.68
OFFICE AND FACTORY BUILDING	4,21,71,725.00	59,53,958.16	0.00	4,81,25,683.16	1,16,64,116.67	6,93,211.22	0.00	1,23,57,327.89	3,57,68,355.27	3,05,07,608.33
Total (Block)	13,73,38,042.00	3,23,81,416.16	0.00	16,97,19,458.16	0.00	45,43,680.76	0.00	45,43,680.76	16,51,75,777.40	7,49,57,226.03
FURNITURE AND FITTINGS										
FURNITURE	43,97,633.00	0.00	0.00	43,97,633.00	41,82,446.86	397.35	0.00	41,82,844.21	2,14,788.79	2,15,186.14
MOTOR VEHICLES										
VEHICLE	17,22,172.00	0.00	0.00	17,22,172.00	16,36,062.00	0.00	0.00	16,36,062.00	86,110.00	86,110.00
PLANT AND MACHINERY										
PLANT & MACHINERY- CONTINEOUS	77,55,54,300.24	6,68,80,942.96	24,49,02,122.00	26,02,31,523.20	22,67,26,627.85	2,13,92,066.45	18,65,35,944.40	6,15,82,749.90	19,86,48,773.30	21,15,26,074.39
PLANT AND MACHINERY- EQUIPMENT	1,92,85,797.00	15,71,984.50	0.00	2,08,57,781.50	1,81,75,493.66	99,332.90	0.00	1,82,74,826.56	25,82,954.94	11,10,303.34
Total (Block)	79,48,40,097.24	6,84,52,927.46	24,49,02,122.00	28,10,89,304.70	24,49,02,121.51	2,14,91,399.35	18,65,35,944.40	7,98,57,576.46	20,12,31,728.24	21,26,36,377.73
Total (Tangible Assets)	93,82,97,944.24	10,08,34,343.62	24,49,02,122.00	45,69,28,567.86	25,07,20,630.37	2,60,35,477.46	18,65,35,944.40	9,02,20,163.43	36,67,08,404.43	28,78,94,899.90
Grand Total	94,33,15,243.24	48,60,57,044.62	24,49,02,122.00	84,71,68,567.86	25,07,20,630.37	2,60,35,477.46	18,65,35,944.40	9,02,20,163.43	75,69,48,404.43	29,29,12,198.90

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)

Gat No. 47 & 48, Sangavade Village
Kolhapur - Hupri Road, Tal- Karveer,
Dist- Kolhapur, Maharashtra

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES AS ON 31.03.2020

NOTE - B2 Investments in Equity Instruments

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Unquoted, Long Term		
Shares Datta Nagari Patsanstha	5,000.00	5,000.00
Shares Rajarambapu Sahakari Bank Ltd.	1,000.00	-
Shares Sarswat Co-Op Bank	14,200.00	14,200.00
Shares Shamrao Vitthal Co-Op Bank	2,500.00	2,500.00
Grand Total	22,700.00	21,700.00
Aggregate Value of		
-Quoted Investments	-	-
-Unquoted Investments	22,700.00	21,700.00
Total	22,700.00	21,700.00
Market value of Quoted Investments	-	-

NOTE - B3 Security Deposits

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Unsecured, Long Term, Considered Good		
Excise / Sales Tax Depoist Agst Demand	2,36,240.00	2,36,240.00
Security Deposit Paid Electricity & Wat	68,51,000.00	68,51,000.00
Central Depository Services Limited	3,62,140.01	4,44,293.00
National Security Depository Limited	4,25,624.00	5,14,124.00
Total	78,75,004.01	80,45,657.00

B4 . Inventories

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Raw Materials and components	2,80,56,277.96	20,28,688.98
Finished Goods	96,07,840.38	-
Work In Progress	73,08,250.00	-
Stores and Spares Parts	23,84,653.03	14,82,484.78
Total	4,73,57,021.37	35,11,173.76

B5 . Trade Receivables

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Outstanding for more than six months		
a) Unsecured, Considered Good :	-	-
Others		
a) Unsecured, Considered Good :		
Mahesh Weaving Mills	27,34,251.00	
Manan Yarn	9,97,902.00	
Pushpdeep Impex	50,73,188.00	
Raksha Enterprises	-2.00	
Sri Rushabh Textiles	2,000.00	
Sumati Yarn Supplier	51,34,201.00	
	1,39,41,540.00	-
Total	1,39,41,540.00	

B6 . Cash and Cash Equivalents- In Current Account

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
AXIS-AS-00710200056753 M	73,02,636.15	98,52,489.15
Bank of Maharashtra-558		4,87,032.30
HDFC-AS-00030700000179 M	61,351.30	61,351.30
HDFC Current Account-042	55,071.00	-
Kallappanna Awade Ichalkranji Janta Sah. Bank	10,000.00	-
Fixed Deposit with HDFC Bank-50300349139478	7,02,940.46	-
Total	81,31,998.91	1,04,00,872.75

B6 . Cash and Cash Equivalents- Cash on hand

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Cash on hand	4,55,516.10	12,474.00
Total	4,55,516.10	12,474.00

B7 . Short-Term Loans and Advances-Unsecured, considered good

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Advance Recoverable in cash or in kind or for value to be considered good		
Aditya Transport Agency	250.00	
Ashok and Company	4,807.00	
ASR and Associates	1,18,800.00	
Baltan Engineering Industries	79,246.00	-11,550.00
Deposit for Loan Processing-Nkgsb Bank	-	2,00,000.00
EXPOTEX ENGINEERS	12,178.00	-5,841.00
Lakshmi Machine Works Limited	9,51,698.02	31,53,333.09
Mahesh Engineering Services	4,690.00	-5,35,762.00
National Stock Exchange Ltd.	88,500.00	29,500.00
Prepaid Insurance	23,744.17	
RIETER INDIA PRAVATE LTD(MH)	98.00	
SAURER TEXTILE SOLUTIONS PRIVATE LIMITED	10,02,588.03	1,652.00
SCINDIA TEX TRADERS	92,04,000.00	
Thigale Utturkar and Associates	20,000.00	
Truetzschler India Private Limited	1,13,143.68	
Unique Solutions	1,786.00	
Vinra Engineerings	7,869.00	
Total	1,16,33,397.90	28,31,332.09

B8 . Other Current Assets

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Adv Income Tax - AY 2018-19		87,759.00
C GST	4,95,006.63	14,00,451.31
I GST	1,36,85,689.72	22,87,411.81
Interest Receivable MSEB	6,88,525.50	14,96,513.00
S GST	4,95,006.63	14,00,451.31
Total	1,53,64,228.48	66,72,586.43

B11 . Long-Term Borrowings

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
A. From Banks		
Term Loan : Secured		
HDFC Loan 83911774	8,53,32,297.36	
HDFC Loan 84329868	4,69,41,578.75	
a. Security for the Secured loans		
Term Loans of HDFC Bank Ltd., are secured by charge on factory land of the company at Gat No.47 and its Part A at Village Sangawade, Dist:Kolhapur , its plant and machinery as well stock and receivables. The loans are guaranteed by the directors in their personal capacity.		
b. Rate of Interest		
HDFC Loan 83911774	8.85%	
HDFC Loan 84329868	8.85%	
c. Terms of Repayment		
a. Term Loan from HDFC Bank No. 83911774 is repayable in 84 monthl instalments of Rs.8,58,153 each except for three.		
b. Term Loan from HDFC Bank No. 84329868 is repayable in 84 monthl instalments of Rs 64,02,961 each except for five.		
B. From Others		
Deposit From Directors (Unsecured)		
a. Interest Free		
Deepak Chaganlal Choudhari	2,75,00,000.00	2,75,00,000.00
Jitendrakumar G Chopra	1,75,00,000.00	1,75,00,000.00
Sharmiladevi J Chopra	1,00,00,000.00	1,00,00,000.00

Interest Bearing		
Deepak Chaganlal Choudhari	7,50,00,000.00	13,75,22,299.00
Jitendrakumar G Chopra-Universal Cottex	3,50,00,000.00	8,03,54,357.00
Sharmiladevi J Chopra-Universal Weaving Mills	4,00,00,000.00	6,91,31,876.00
b. Rate of Interest	12%	12%
c. Terms of Repayment		
Not to be repaid till the repayment of bank loans		
Total	33,72,73,876.11	34,20,08,532.00

B12 . Short-Term Borrowings

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Loan Repayable on Demand		
- From HDFC Bank: Secured: Cash Credit	4,81,41,520.25	-
a. Security for the Secured loans		
Cash Credit from HDFC Bank Ltd., is secured by charge on factory land of the company at Gat No.47 and its Part A at Village Sangawade, Dist:Kolhapur , its plant and machinery as well stock and receivables. The loans are guaranteed by the directors in their personal capacity.		
b. Rate of Interest	8.85%	
Secured- From banks		
Current Maturities of Long Term Debt-HDFC-TL-5.32 C	60,33,820.00	-
Current Maturities of Long Term Debts-HDFC TL-10 CR	1,24,98,522.00	-
Interest Accrued-HDFC-5.32 Cr TL	2,63,662.77	-
Interest Accrued -HDFC-TL-10 Cr	7,23,308.58	-
Loan from Directors- Unsecured- Payable on demand		
Bearing Interest @ 12%		
Deepak Chaganlal Choudhari	3,76,68,578.00	-
Jitendrakumar G Chopra	1,80,86,397.00	-
Sharmiladevi J Chopra	53,29,106.00	-
Total	12,87,44,914.60	

B13 . Trade Payables

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Micro, Small and Medium Enterprise	2,54,192.04	11,69,334.20
Others	4,88,28,092.00	1,05,04,416.66
Total	4,90,82,284.04	1,16,73,750.86

B14 . Other Current Liabilities

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Aniruddha Badkatte	12,353.00	9,200.00
EPF Payable	30,895.00	30,895.00
Expenses Payable	55,30,789.00	3,25,000.00
Professional Tax Staff Payable	27,975.00	
Sachin Jagdish Shete	4,696.00	
Salary Payable	5,50,178.00	3,68,871.00
Wages Payable RP Calculation	50,23,774.00	76,67,581.00
TDS 194 H - Commission - Other New GI 15114		9,000.00
Total	1,11,80,660.00	84,10,547.00

B15 . Short-Term Provisions

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
TDS 194A-INTEREST	6,97,341.00	10,00,156.00
TDS 194 C - Contractor Company	2,480.00	
TDS 194 C - Contractor Other	88,924.00	1,239.00
TDS 194 J Professional - Other	52,022.00	52,180.00
Grand Total	8,40,767.00	10,53,575.00

Girnar Spintex Industries Limited

(Formerly Known As Amit Spinning Industries Ltd.)

Gat No. 47 & 48, Sangavade Village

Kolhapur - Hupri Road, Tal- Karveer,

Dist- Kolhapur, Maharashtra

Notes to and forming part of Statement of Assets and Liabilities as at 31-Mar-2020

B9 - Share Capital

B9 - 1 Authorized, Issued, Subscribed and Paidup share capital

In ₹ (Rupees)

Particulars	as at 31-Mar-2020		as at 31-Mar-2019	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity Shares of ₹ 5.00 each	5,00,00,000	25,00,00,000.00	5,00,00,000	25,00,00,000.00
Total	5,00,00,000.00	25,00,00,000.00	5,00,00,000.00	25,00,00,000.00
Issued Share Capital				
Equity Shares of ₹ 5.00 each	4,11,69,667	20,58,48,335.00	4,11,69,667	20,58,48,335.00
Total	4,11,69,667.00	20,58,48,335.00	4,11,69,667.00	20,58,48,335.00
Subscribed and fully paid				
Equity Shares of ₹ 5.00 each	4,11,69,667	20,58,48,335.00	4,11,69,667	20,58,48,335.00
Total	4,11,69,667.00	20,58,48,335.00	4,11,69,667.00	20,58,48,335.00
Total	4,11,69,667.00	20,58,48,335.00	4,11,69,667.00	20,58,48,335.00

Note No : B9 - 2 Reconciliation of share capital

Particulars	as at 31-Mar-2020		as at 31-Mar-2019	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares (Face Value ₹ 5.00)				
Shares outstanding at the beginning of the year	4,11,69,667	20,58,48,335.00	4,11,69,667	20,58,48,335.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,11,69,667	20,58,48,335.00	4,11,69,667	20,58,48,335.00

Rights, perferences and restrictions attached to Equity Shares

1. The Company has one class of equity shares having a per value of Re. 5 per share. Each shareholder is eligible for one vote per share held. In

Note No : B9 - 3 Shareholders holding more than 5% of Share

Particulars	as at 31-Mar-2020		as at 31-Mar-2019	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Spentex Industries Limited	2,09,81,077.00	50.96 %	2,09,81,077.00	50.96 %
Smita Bharat Shah	35,47,185.00	8.62 %	35,47,185.00	8.62 %
Aparna Bharat Shah	22,15,500.00	5.38 %	22,15,500.00	5.38 %

Note : Shares to the extent of Rs.1852.63 Lakhs would be extinguished as per NCLT approved Resolution Plan under IBC, effect of which is still

Note : B10 Reserve & Surplus

0	as at 31-Mar-2020		as at 31-Mar-2019	
Share Premium Account				
As per Last Balance Sheet	-	-	-	-
Add :- Additions during the year	-	-	-	-
Less :- Deductions during the year	-	-	-	-
Closing Balance	-	-	-	-
1. State Capital Incentive				
As per Last Balance Sheet	30,00,000.00	30,00,000.00	30,00,000.00	30,00,000.00
Add :- Additions during the year	-	-	-	-
Less :- Deductions during the year	-	-	-	-
Closing Balance	30,00,000.00	30,00,000.00	30,00,000.00	30,00,000.00
2. Share Premium				
As per Last Balance Sheet	4,46,01,665.00	4,46,01,665.00	4,46,01,665.00	4,46,01,665.00
Add :- Additions during the year	-	-	-	-
Less :- Deductions during the year	-	-	-	-
Closing Balance	4,46,01,665.00	4,46,01,665.00	4,46,01,665.00	4,46,01,665.00
3. Insolvency and Brankruptcy Reserve				
As per Last Balance Sheet	1,24,94,28,606.88	1,24,94,28,606.88	1,24,94,28,606.88	1,24,94,28,606.88
Add :- Additions during the year	-	-	-	-
Less :- Deductions during the year	15,21,285.00	-	-	-
Closing Balance	1,24,79,07,321.88	1,24,79,07,321.88	1,24,94,28,606.88	1,24,94,28,606.88
4.Revaluation Reserve				
As per Last Balance Sheet	-	-	-	-
Add :- Additions during the year	47,40,30,975.00	-	-	-
Less :- Deductions during the year	8,36,869.50	-	-	-
Closing Balance	47,31,94,105.50	47,31,94,105.50	-	-
5. Surplus (Deficit) in Profit & Loss Account				
Opening Balance	-1,54,16,17,015.90	-1,47,08,63,368.09	-1,47,08,63,368.09	-1,47,08,63,368.09
Add :- Profit (Loss) for the Year	-9,83,27,101.69	-7,07,53,647.81	-7,07,53,647.81	-7,07,53,647.81
Add :- Transfer from Revaluation Reserve	-	-	-	-
Less :- Transfer to General Reserve	-	-	-	-
Closing Balance	-1,63,99,44,117.59	-1,63,99,44,117.59	-1,54,16,17,015.90	-1,54,16,17,015.90
Total in `	12,87,58,974.79	12,87,58,974.79	-24,45,86,744.02	-24,45,86,744.02

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Gat No. 47 & 48, Sangavade Village
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Notes to and forming part of Statement of Profit and Loss for the year

P1 . Revenue from Operations

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Cotton Sales	1,83,01,431.39	-
Stores and Spares Sales	2,49,436.66	-
Waste Sale	1,14,12,175.69	-
Yarn Sales	38,44,41,972.61	-
	41,44,05,016.35	-
Less: GST	1,97,59,744.54	-
Total	39,46,45,271.81	-

P2 . Other income

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Dividend Received	3,465.00	-
Interest Accrued on Fixed Deposit	42,940.46	-
Interest on IT Refund	7,021.00	-
Interest Receivable Others	6,88,525.50	-
Total	7,41,951.96	-

P3 . Cost of Materials Consumed

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Purchase of Raw Materials	29,60,84,953.52	20,28,688.98
Opening Balance of Raw Materials	20,28,688.98	-
Less : Closing Balance of Raw Materials	-2,80,56,277.96	-20,28,688.98
Total	27,00,57,364.54	-

P4 . Purchases of Stock-in-Trade

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Yarn Purchase	82,67,526.72	-
Total	82,67,526.72	-

P5 . Changes in Inventories

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Opening Inventories		
Finished Goods	-	-
Work in Progress	-	-
	-	-
Closing Inventories		
Finished Goods	96,07,840.38	-
Work in Progress	73,08,250.00	-
	1,69,16,090.38	-
Total	-1,69,16,090.38	-

P6 . Employee Benefit Expenses

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Salaries and Wages	71,71,941.00	13,83,436.00
Staff Welfare Expenses	7,28,415.00	
Total	79,00,356.00	13,83,436.00

P7 . Finance Costs

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Interest on Bank Term Loan	77,38,923.29	-
Interest on TDS	28,793.00	3,676.00
Interest to Bank CC	28,99,867.00	-
Interest to Others	3,06,92,462.00	1,31,91,480.50
Total	4,13,60,045.29	1,31,95,156.50

P8 . Depreciation and Amortization Expenses

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Depreciation and Amortization	2,51,98,608.50	2,78,42,753.00
Total	2,51,98,608.50	2,78,42,753.00

P9 . Other Expenses

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Payment to Auditors		
Audit Fees	5,00,000.00	5,90,000.00
Document Attestation / Notary Charges		2,400.00
Legal & Professional Expenses	46,72,375.59	16,83,852.65
Legal & Professional - Other Expenses	49,500.00	66,321.13
Consumption of stores and spare parts		
Purchases of Stores and Spare parts	1,58,89,968.47	-
Opening Balance of Stores and Spare parts	14,82,484.78	-
Less : Closing Balance of Stores and spare parts	-23,84,653.03	-14,82,484.78
Power and fuel		
Fuel Expenses	43,301.00	
Power Charges	6,20,88,040.00	14,153.00
Rent Others	57,525.82	25,600.00
Repairs to buildings	65,500.00	4,90,915.00
Repairs to Machinery		
Repairs & Machinery @ 12%	21,392.00	
Repairs Service- Machinery @18%	29,30,228.25	
Insurance Expenses (Corporate)	5,77,761.83	2,61,199.00
Rates and taxes (excluding taxes on income)		
Grampanchayat Tax	4,40,270.00	4,40,270.00
Miscellaneous expenses		
Advertisement Expenses	2,92,900.00	47,261.00
Bank Charges	1,15,489.75	33,173.62
CGST Input- Indirect Expenses	76,897.33	
Commission Paid	-	1,873.00
Consultancy Charges	3,25,000.00	-
Conveyance Local Employee	-	1,200.00
Courier Charges	72,151.30	2,490.56

DIRECTOR SITTING FEES	-	60,000.00
Fees for Appeal-ROC- E Filing	44,855.00	57,900.00
Food & Beverages in Office for Staff	9,41,754.00	1,54,077.00
Garden Development	97,294.00	-
Garden Maintenance	2,25,617.25	-
IGST Input- Indirect Expenses	13,500.00	
Internet & Information Charges	-	400.00
Labour Charges	2,97,101.00	-
Late Fees	2,920.00	500.00
Loading Unloading Expenses	1,75,03,036.84	9,31,998.00
Lodging for Guest	48,900.00	-
Loss on Sale of Assets	-	52,38,464.00
MPCB Application Fees	75,000.00	-
NCLT Fees	-	2,000.00
Office Expenses	94,265.00	14,212.00
Packing & Forwarding	75,547.32	
Photocopy Expenses	-	41,735.00
POSTAGE AND TELEGRAPH	97,980.00	5,47,215.50
Printing & Stationery	55,061.68	73,567.52
Registration Fees	2,15,063.10	-
Reimbursement of Expenses	6,43,787.00	42,150.00
Repair & Maint - Others	2,98,710.00	1,04,640.00
Rounding Off	-8.40	16.68
Security Service Charges	33,13,355.02	19,61,375.36
SGST Input- Indirect Expenses	76,897.33	
Telephone Charges	8,722.56	-
Travel - Others	1,02,709.00	1,18,074.00
Water Expenses	3,85,000.00	12,600.00
Total	11,19,33,200.79	1,15,39,149.24

P10 . Exceptional items

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Assets written off	-	13,41,394.29
Duties and Taxes not claimed	-	2,51,477.92
Insolvency Process Expenses	-	16,53,710.00
Plant Start Up Expenses		1,35,46,570.86
Closing Stock of Spares		
Loss on Sale of Asset	-4,78,73,465.00	
Profit on Sales of Asset	19,60,151.00	
Total	-4,59,13,314.00	1,67,93,153.07

P11 . Earnings per equity share

In ₹ (Rupees)

	Earning Per Share	Earning Per Share
Net Profit After Tax	-9,83,27,101.69	-7,07,53,647.81
Weighted average number of Equity Shares outstanding	4,11,69,667	4,11,69,667
Basic Earning Per Share (Face Value of Rs. 5 each)	-2.39	-1.72
Add: Weighted number of potential equity shares on account of Employee Stock Options	-	-
Weighted average number of Equity Shares outstanding (inclusive dilutive ESOP shares outstanding)	-	-
Diluted Earning Per Shares (Face Value of Rs. 5 each)	-2.39	-1.72

1. A. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for preparation of accounts

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, other pronouncements of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. 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 revised Schedule - III to the Companies Act, 2013.

1.2 Use of Estimates

IND AS enjoins management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision.

1.3 Recognition of Income and Expenses

- i. Revenue from sale contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods transported.
- ii. Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

1.4 Property, Plants and Equipment

These tangible assets are held for use in production, supply of goods or services or for administrative purposes. These are recognized and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any which is akin to recognition criteria under erstwhile GAAP.

- i. Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include Borrowing Cost if the recognition criteria are met.
- ii. When a major inspection/repair occurs, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection/repair is derecognized.
- iii. Depreciation has been provided on straight line method in terms of expected life span of assets as referred to in Schedule II of the Companies Act, 2013.
- iv. Components relevant to fixed assets, where significant are separately depreciated on straight line basis in terms of their life span assessed by technical evaluation in specific context.
- v. On sales of fixed assets any profit earned/loss sustained towards excess/shortfall of sale value Vis-a- vis carrying cost of assets is accounted for in statement of profit and loss.
- vi. The company has revalued its assets the effect of which has been given in the last quarter. In addition, in respect of plant and equipment, the company has re-estimated the remaining useful life of each of the asset in this category as at the year end and depreciation for the whole year has been computed taking into account the revalued figures and such re-estimated useful life.

1.5 Impairment of Non-Financial Assets

- i. The Company assesses at each reporting date as to whether there is any indication that any Property Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
- ii. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- iii. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

1.6 Financial Instruments

i. Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial Assets at fair value
- Financial Assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost.

- Business Model Test: The objective of company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

- Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash Flow Characteristics Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

Impairment of Financial Assets

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:

- 12 months expected credit losses, or
- Lifetime expected credit losses

Depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowances based on lifetime ECLs at each reporting date, right from its initial recognition.

ii. Financial Liabilities

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or Fair Value Through Profit and Loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

1.7 Fair Value Measurement

The company measures financial instruments at fair value at each balance sheet date.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identified assets or liabilities
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.8 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport & handing costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The cost in respect of raw materials, store and spares and packing material is determined under the weighted average cost method.

Inventories of work in process and finished goods have been valued at weighted average cost for the year. Such weighted average cost has been arrived taking the operation of the plant at normal capacity.

Waste is valued at estimated net realizable value.

1.9 Employee Benefits

i. Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Long term/Post Separation employee benefit plan

- **Defined Contribution Plan:**
The company's contributions to recognized Provident Fund and Labour Welfare Fund are charged to profit and loss account on accrual basis.
- **Defined Benefit Plan:**
The Company accounts for expenditure on defined benefits plans an actual payment basis. It is the view of the management that, due to heavy labor turnover ratio and as the entire labour force as at 31.03.2020 is not older than 18 months, the liability of the company under defined benefit plans (i.e.

gratuity and leave encashment) is not material considering the present composition of the labor and its volume of business. There is no liability towards retirement benefits as on 31.03.2020 as determined by the company.

1.10 Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed considering the provisions of the Income Tax Act, 1961.

Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.11 Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax, Excise etc.) pending in appeal or court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability. No contingent asset is recognized but disclosed by way of notes to accounts.

1.12 Foreign Currency Translation

The company's financial statements are presented in INR, which is also the company's functional currency.

- i. Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain/Loss arising on account of rise or fall in overseas currencies vis-à-vis functional currency between the date and that of payment is charged to Statement of Profit and Loss.
- ii. Monetary Assets in foreign currencies are translated into functional currency at the exchange rate ruling at the Reporting Date and the resultant gain or loss is accounted for in the Statement of Profit and Loss.

- iii. Non-Monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- iv. Impact of exchange fluctuation is separately disclosed in the notes to accounts.

1.13 Earnings Per Share

Basic Earnings per share is calculated by dividing:

- the net profit for the period attributable to equity shareholders
- by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share:

- the net profit for the period attributed to equity shareholders
- and the weighted average number of shares outstanding during the period
- is adjusted for the effects of all dilutive potential equity shares.

1.14 Borrowing Costs

Borrowing cost that are directly attributable to the acquisition, construction, or production of a *qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. All other borrowing costs are recognized as expense in the period in which they are incurred.

* A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

1.15 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(B) NOTES FORMING PART OF THE ACCOUNTS

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of the business, the provision for all known liabilities is adequate and no in excess of the amount considered reasonably necessary.
2. **Contingent Liabilities not provided for** :

Contingent Liabilities not provided for in respect of -

- a. **Guarantee provided by/on behalf of the company: NIL**
- b. **Claims against company not acknowledged as debts:**

S. No	Descriptions	As at March 31, 2020	As at March 31, 2019
1	Electricity duty by Maharashtra State Government on units generated through captive power plant between the period Apr-2000 to Apr-2005 (petition pending before the Supreme Court)	-	14,355,000.00
2	Demands from MSEDCL under appeal (including interest of Rs. 3,82,53,185 previous year Rs. 3,82,53,185)	-	93,315,290.00
3	Demands From Maharashtra Sales Tax Authorities under appeal for FY 2004-05 not provided for.	1,244,000.00	1,244,000.00
4	Demands From Maharashtra Sales Tax Authorities under appeal for FY 2009-10 not provided for.	2,659,004.00	2,659,004.00
5	Demands From Maharashtra Sales Tax Authorities under appeal for FY 2012-13 not provided for.	19,96,283.00	19,96,283.00
5	Disputed Demands of Gram panchayat Tax 2014-15 to 2017-18	1,952,468.00	1,952,468.00
6	Disputed Demand of Irrigation Department 2014-15 to 2017-18	685,039.00	685,039.00
7	Disputed TDS demands for late filing of returns	7,06,660.00	7,06,660.00
	Total	92,39,454.00	11,69,09,744.00

The company has undergone the process of IBC, consequently the above demand/default shall not be liable to pay as per resolution plan approved by NCLT.

3. Disclosure required by Ind AS 19 - Employee Benefits				
Particulars	Current Year		Previous Year	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Components of Employer Expense	-	-	-	-
Current service cost	-	-	-	-
Expected return on Plan assets	-	-	-	-
Total expense recognized in the Statement of Profit & Loss Account Change in Defined Benefit Obligation (DBO) during the year	-	-	-	-
Obligation at period beginning	-	-	-	-
Current service cost	-	-	-	-
Interest Cost	-	-	-	-
Actuarial (gain)/ Loss	-	-	-	-
Obligation at the Year end	-	-	-	-
Change in Plan Assets	-	-	-	-
Plan assets at period beginning, at fair value	-	-	-	-
Expected return on Plan assets	-	-	-	-
Actuarial (gain)/ Loss	-	-	-	-
Contributions	-	-	-	-

Benefits paid	-	-	-	-
Plan assets at the year end, at fair value Reconciliation of Present Value of the Obligation and Fair value of plan assets	-	-	-	-
Fair value of Plan assets at the end of the year	-	-	-	-
Present value of the defined benefit	-	-	-	-
Obligation at the end of the year	-	-	-	-
Liability/ (Asset) Recognized in the Balance Sheet	-	-	-	-
Comprising of :	-	-	-	-
Current Liabilities	-	-	-	-
Assumptions used to determine the benefit obligation	-	-	-	-
Discount Rate	-	-	-	-
Estimate rate of return on Plan Assets	-	-	-	-
Expected rate of Increase in salary	-	-	-	-
Withdrawal rate (18 to 58 Years)	-	-	-	-
Due to recently implemented Corporate Insolvency Resolution Plan u/s 10 of the Insolvency and Bankruptcy Code, 2016 in the company, the company has not carried out any actuarial valuation since almost all the staff is recently appointed and there are is no liability towards retirement benefits accruing as on 31.03.2020 For the year FY 2019-20, wages and salaries of Rs.71.71 Lakhs are charged to profit and loss statement and Rs.26.44 Lakhs have been paid as per Resolution Plan approved by NCLT towards the full and final settlement.				

4. Disclosure in accordance with section 22 of Micro, Small and Medium Enterprise Development Act, 2006 :

Sr. No	Particulars	As at March 31, 2020	As at March 31, 2019
1	Principal amount remaining and paid and interest due thereon	2,54,192.04	6,51,856.00
2	Interest paid in terms of section 16	Nil	Nil
3	Interest due and payable for the period of delay in payment	Nil	Nil
4	Interest accrued and remaining unpaid	Nil	Nil
5	Interest due and payable even in succeeding years	Nil	Nil
* As certified by the management based on the available information.			

5. There is no liability in respect of retirement benefits as on 31.03.2019.

6. Auditor's Remuneration

SR NO.	Particulars	31.03.2020	31.03.2019
1	Statutory Audit Fees	2,50,000	3,00,000
2	Tax Audit Fees	-	-
3	Income Tax Matters	-	-
4	IND AS Compliance Fees	90,860	
4	Internal Audit Fees	2,50,000	-
	Total (Excluding Tax)	5,90,860	3,00,000

(Excluding GST Payable there on)

7. DEFERRED TAX

In view of the uncertainty attached with the future profitability of the Company and lack of any convincing evidence that sufficient future taxable income would be available, company has decided not to recognize any Deferred Tax Asset in respect of the timing differences outstanding at the beginning of the year as well as those arisen during the year.

Break-up deferred tax assets and deferred tax liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liability recognized due to timing difference due to : Depreciation and other differences in block of fixed assets	5,15,08,041	8,57,95,035
<i>Total Deferred Tax liabilities :</i>		
Deferred tax assets recognized due to timing difference due to : Tax impact of provision for doubtful debts and other provisions	-	-
Tax impact of disallowances under section 43B of the Income Tax Act, 1961	-	-
Realization of tax impact of unabsorbed depreciation	-	-
Realization of tax impact of carried forward business losses	17,96,97,384	20,23,62,889
<i>Total Deferred Tax Assets :</i>	17,96,97,384	20,23,62,889
Net Deferred Tax Assets / (Deferred Tax Liability)	12,81,89,343	11,65,67,854
(Credit)/ Charge to profit and loss account	-	-

Note : In view of brought forward losses, deferred tax assets is not being recognized on prudence consideration.

8. Figures of the previous year have been regrouped rearranged and recast wherever necessary, to make them comparable with the figures or the current year.
9. Expenditure in Foreign Currency - NIL
(Previous year Rs. NIL/-)
10. Disclosure in accordance with AS 18" Related Party Disclosures"

FOR THE YEAR ENDING 31.03.2020

Particulars	Other Related Parties Where Control Exists	Key Management Personnel

A. Profit and Loss Statement		
Sale of Goods/ Services	-	-
Sale of Packing Material & Spares	-	-
Purchase of Spares	-	-
Salaries	-	-
Interest on Borrowings	-	3,06,67,562
Director Sitting Fees	-	-
B. Balance Sheet		
Unsecured Loans	-	26,60,84,081
Trade Payables	-	-
B Off Balance Sheet Item		
Corporate Guarantees	-	-

FOR THE YEAR ENDING 31.03.2019

Particulars	Other Related Parties Where Control Exists	Key Management Personnel
A. Profit and Loss Statement		
Sale of Goods/ Services	-	-
Sale of Packing Material & Spares	-	-
Purchase of Spares	-	-
Salaries	-	-
Interest on Borrowings	-	89,69,938
Director Sitting Fees	-	60000
B. Balance Sheet		
Unsecured Loans	-	342008532
Trade Payables	-	-
B Off Balance Sheet Item		
Corporate Guarantees	-	-

A. Other related parties in transaction with the company : F Y 2019-20 & 2018-19

Key Management Personnel

Mr. Deepak Chaganlal Choudhari
Mr. Jitendrakumar Goutamchand Chopra
Mrs. Sharmiladevi Jitendrakumar Chopra

11. Segment Information

The company has identified only one reportable segment viz. spinning mill Segment has been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting system.

Statement on Impact of Audit Qualification (for audit report with modified opinion) submitted along with Annual Audited Results-(Standalone)

Statement on Impact of Audit Qualification for the financial year ended March 31, 2020(See regulations 33/52 of the SEBI (LODR) (Amendment) Regulations 2016)

I.

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) in Lakhs	Audited Figures (as reported after adjusting for qualifications) in Lakhs
1	Turnover of Total Income	3953.87	3953.87
2	Total Expenditure	(4937.14)	(4937.14)
3	Net Profit/(Loss)	(983.27)	(983.27)
4	Earning Per Share	(2.39)	(2.39)
5	Total Assets	8617.30	8617.30
6	Total Liabilities	5271.23	5271.23
7	Net Worth	3346.07	3346.07
8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL

II. Audit Qualification (each audit qualification separately):

a) Details of Audit Qualification:

1. Impairment loss, if any, needs to be accounted for by the company by forecasting its cash flow to analyze whether the cost of the asset is recoverable or not.
2. The company having re-commissioned its regular operations of spinning this year, the figures for the quarter/year are not directly comparable with those of the corresponding previous periods, since there was not production activity in the corresponding previous period.
3. In the absence of sanction from SEBI the effect of reduction in the share capital is still to be given in the accounts as per the order of National Company Law Tribunal dated 31.07.2018. On giving effect to this the share capital of the company will get reduced by Rs.1852.63 Lakhs. Accordingly, the liabilities written back and the assets written off as a result of approved resolution plan by NCLT stands credited to Insolvency and Bankruptcy Reserve the balance in which as on 31.03.2020 is Rs.1,24,79,07,322/-

b) Types of Audit Qualification: Qualified Opinion

c) Frequency of Qualification: All the qualifications are being reported since last year i.e. 2018-19.

d) For Audit Qualifications where the impact is quantified by the auditor, Managements view:

As regards qualification at Sr.No.v, the company proposes to give effect to the reduction in share capital on getting sanction from SEBI.

e) For audit qualifications where the impact is not quantified by the auditor

i. Managements estimation on impact of audit qualification:

N.A.

ii. If management is unable to estimate the impact reasons for the same:

The company, being still in the process of carrying out the required exercise of determination of impairment in the value of the assets, the exact quantification is not possible at this point of time.