

**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF

**T.C. TERRYTEX LIMITED  
V. SARSINI****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of **T.C. Terrytex Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2021 and the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit/loss and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.



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

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

### **Emphasis of Matter**

We draw attention that the Company has not provided deferred tax liability in books of accounts in accordance with Accounting Standards-22, Accounting for taxes on income”.

Our opinion is not modified in respect of this matter.

### **Responsibilities of Management for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor’s Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an



auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 of the current period 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 Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i) The company has disclosed the impact of pending litigations in Notes on Accounts point number 3 of Notes to accounts relating to contingent liability.
  - ii) As per the information made available to us the company has not entered for any long term contracts including any derivative contract and has not provided for any material foreseeable losses.
  - iii) The company has not declared dividend, thereby no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: V. SARSINI  
Date:02.08.2021

UDIN- 21504847AAAAIP5143

For RAV & Associates  
Chartered Accountants  
FRN: 021000N



Rupali Goyal  
(Partner)  
M. No. : 504847

T.C. TERRYTEX LTD., V.SARSINI  
BALANCE SHEET AS AT 31.03.2021

		Amount In INR Lacs		
S.NO.	PARTICULARS	NOTE	Year Ended On 31st March.,2021	Year Ended On 31st March.,2020
<b>I. EQUITY AND LIABILITIES</b>				
<b>1) SHAREHOLDERS' FUNDS</b>				
	A) Share Capital	2.1.1	13,131.83	12,831.83
	B) Reserves and surplus	2.1.2	1,505.87	903.82
	C) Money Received against Share Warrants	2.1.3	0.00	0.00
	<b>Sub-Total</b>		<b>14,637.69</b>	<b>13,735.64</b>
<b>2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>				
		2.2	0.00	0.00
<b>3) NON CURRENT LIABILITIES</b>				
	A) Long Term Borrowings	2.3.1	5,598.80	5,394.71
	B) Deferred tax Liabilities	2.3.2	0.00	0.00
	C) Other Long Term Liabilities	2.3.3	622.91	896.76
	D) Long Term Provisions	2.3.4	339.68	318.87
	<b>Sub-Total</b>		<b>6,561.39</b>	<b>6,610.34</b>
<b>4) CURRENT LIABILITIES</b>				
	A) Short term borrowings	2.4.1	15,123.19	14,868.84
	B) Trade payables	2.4.2	6,023.26	6,376.54
	C) Other Current Liabilities	2.4.3	382.65	459.17
	D) Short term provisions	2.4.4	331.11	335.66
	<b>Sub-Total</b>		<b>21,860.20</b>	<b>22,040.21</b>
	<b>Grand Total</b>		<b>43,059.28</b>	<b>42,386.20</b>
<b>II. ASSETS</b>				
<b>1) NON CURRENT ASSETS</b>				
<b>A) FIXED ASSETS :</b>				
	i) Tangible assets	2.5.1	10,496.25	11,232.28
	ii) Intangible assets		0.00	0.00
	iii) Capital work-in-progress		994.73	758.53
	iv) Intangible assets under development		0.00	0.00
	<b>Sub-Total</b>		<b>11,490.99</b>	<b>11,990.82</b>
	B) Non-current Investment	2.5.2	232.41	220.19
	C) Deferred tax assets	2.5.3	0.00	0.00
	D) Long term loan and advances	2.5.4	235.36	230.46
	E) Other non-current assets	2.5.5	0.00	2.65
	<b>Sub-Total</b>		<b>467.77</b>	<b>453.31</b>
<b>2) CURRENT ASSETS</b>				
	A) Current investment	2.6.1	58.41	62.16
	B) Inventories	2.6.2	17,397.42	19,103.59
	C) Trade receivables	2.6.3	9,993.43	7,485.73
	D) Cash and cash equivalents	2.6.4	1,013.74	1,111.30
	E) Short-term loans and advances	2.6.5	31.97	12.93
	F) Other currents assets	2.6.6	2,605.56	2,166.36
	<b>Sub-Total</b>		<b>31,100.53</b>	<b>29,942.07</b>
	<b>Grand Total</b>		<b>43,059.28</b>	<b>42,386.20</b>
			(0.00)	0.00

Document Annexed;

1. Significant Accounting Policies
2. Notes to Accounts

In terms of our separate report of even date.

FOR RUPALI SOYAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
R.N. : 971000N

RUPALI SOYAL  
M. NO. 504847  
FRN 021000N  
UDIN-21504847AAAAIP5143  
DATE : 02.08.2021  
PLACE : SARSINI

AKHIL SATIA  
(MANAGING DIRECTOR)

SUNIL KAURA  
(DIRECTOR)

RAJIV CHOPRA  
(CFO)

MANJEET KHARB  
(CS)

Naresh Singla (CA)

T.C. TERRYTEX LTD., V.SARSINI  
STATEMENT OF PROFIT & LOSS

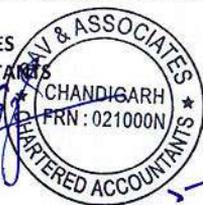
Amount In INR Lacs

S.NO.	PARTICULARS	NOTE	Year Ended On 31st March, 2021	Year Ended On 31st March, 2020
I)	<b>INCOMES :</b>			
	A) Revenue from operations	2.8.1	44,592.73	46,596.07
	B) Other Income	2.8.2	60.48	51.16
	<b>Total Revenue</b>		<b>44,653.21</b>	<b>46,647.23</b>
II)	<b>EXPENDITURES :</b>			
	A) Cost of material consumed	2.9.1	27,592.44	30,617.08
	B) Cost of Purchases - Fabric / Towel		3,700.24	3,476.39
	C) Change in inventories of finished goods, work in progress and stock in trade	2.9.2	1,271.85	(363.03)
	D) Employees benefit expenses	2.9.3	2,693.21	3,018.55
	E) Finance cost	2.9.4	2,621.58	2,652.81
	F) Depreciation and amortization expenses	2.9.5	1,143.50	1,403.68
	G) Other expenses	2.9.6	5,136.87	5,483.25
	<b>Total expenses</b>		<b>44,159.68</b>	<b>46,288.73</b>
III)	<b>Profit before exceptional and extraordinary items and tax (I-II)</b>		<b>493.53</b>	<b>358.50</b>
IV)	Exceptional items	2.10	0.45	0.00
V)	<b>Profit before extraordinary items and tax (III-IV)</b>		<b>493.08</b>	<b>358.50</b>
VI)	Extraordinary items		0.00	0.00
VII)	<b>PROFIT BEFORE TAX (V-VI)</b>		<b>493.08</b>	<b>358.50</b>
VIII)	Tax Expenses			
	A) Current Tax			
	- Income Tax		82.30	59.84
	- Income Tax - Previous Year		(108.97)	(1.57)
	B) Deferred Tax		0.00	0.00
	MAT CREDIT		(82.30)	(59.84)
IX)	<b>Profit (Loss) for the period from continuing operations(VII-VIII)</b>		<b>602.05</b>	<b>360.07</b>
X)	Profit/(Loss) from discontinuing operations		0.00	0.00
XI)	Tax expenses of discontinuing operations		0.00	0.00
XII)	Profit/(Loss) from discontinuing operations (after Tax) (X - XI)		0.00	0.00
XIII)	<b>Profit (Loss) for the period (IX +XII)</b>		<b>602.05</b>	<b>360.07</b>
XIV)	<b>Earnings per Equity Share:</b>			
	A) Basic		0.47	0.29
	B) Diluted		0.47	0.29

In terms of our separate report of even date.

FOR RAV & ASSOCIATES  
CHARTERED ACCOUNTANTS

RUPALI GOYA  
M. NO. 504847  
FRN 021000N  
UDIN-21504847AAAAIP5143  
DATE : 02.08.2021  
PLACE : SARSINI



AKHIL SATIA  
(MANAGING DIRECTOR)

SUNIL KAURA  
(DIRECTOR)

RAJIV CHOPRA  
(CFO)

MANJEET KHARB  
(CS)

Naresh Singla (CA)

T.C. TERRYTEX LTD., V.SARSINI

CASH FLOW STATEMENT FOR THE YEAR ENDED ON

31st March.,2021

Amount In INR Lacs

PARTICULARS	Year Ended On 31st March.,2021	Year Ended On 31st March,2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT AFTER TAX	602.05	360.07
ADD: DEPRECIATION	1,140.84	1,401.03
ADD: MISC EXPENSES WRITTEN OFF	2.65	2.65
CASH FROM OPERATIONS	1,745.55	1,763.76
ADD: INCREASE IN CURRENT LIABILITIES & other Liabilities	(434.36)	22.24
LESS: INCREASE IN CURRENT ASSETS	1,256.02	509.95
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>55.17</b>	<b>1,276.05</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
ADDITION IN FIXED ASSETS	(641.01)	(1,104.86)
ADDITION IN NON CURRENT ASSETS	(17.11)	(49.92)
MISC EXPENSES	-	-
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(658.12)</b>	<b>(1,154.79)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
INCREASE IN CAPITAL	300.00	-
INCREASE IN TERM LOANS	-	-
INCREASE IN LONG TERM LIABILITIES	(48.95)	(154.67)
INCREASE IN WORKING CAPITAL LIMITS	254.34	477.34
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>505.39</b>	<b>322.67</b>
<b>NET INCREASE/DECREASE IN CASH (A+B+C)</b>	<b>(97.56)</b>	<b>443.94</b>
CASH & BANK BALANCE AT THE BEGINNING OF THE PERIOD	1,111.30	667.36
CASH & BANK BALANCE AT THE END OF THE PERIOD	1,013.74	1,111.30
<b>INCREASE/DECREASE IN CASH &amp; BANK BALANCES</b>	<b>97.56</b>	<b>(443.94)</b>
	0.00	0.00

In terms of our separate report of even date.

FOR RAV & ASSOCIATES  
CHARTERED ACCOUNTANTS

CHANDIGARH  
FRN:021000N

RUPALI GOYAL  
M. NO. 504847  
FRN 021000N

DATE : 02.08.2021  
PLACE : SARSINI

AKHIL SATIA  
(MANAGING DIRECTOR)

SUNIL KAURA  
(DIRECTOR)

RAJIV CHOPRA  
(CFO)

**“Annexure A” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of T.C. Terrytex Limited, V. Sarsini**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of T.C. Terrytex Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

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

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



## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed 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 expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: V. Sarsini  
Date: 02.08.2021

For **RAV & Associates**  
Chartered Accountants  
FRN: 021000N

*Rupali Goyal*  


Rupali Goyal  
**(Partner)**  
M.No. : 504847

## **“Annexure B” to the Independent Auditors’ Report**

The Annexure Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of T.C. Terrytex Limited, V. Sarsini on the accounts of the company for the year ended March 31, 2021.

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

- 1)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As explained to us, Fixed Assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies noticed on such verification.
  - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
  
- 2)
  - a) As explained to us, the inventories of Finished goods, Semi-Finished goods, Stores, Spare parts and Raw Materials except the goods lying with third parties were physically verified at regular intervals (at the end of the year) by the Management.
  - b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories except for material lying on floor and work in progress, which has been determined during the physical verification at the year end. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Company and the same have properly dealt with in the books of accounts.
  
- 3) In respect of loans, secured or unsecured, granted to the parties covered in the Register maintained under section 189 of the Companies Act, 2013.

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability



partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013, therefore paragraph 3 (iii) of the Order are not applicable. The amounts outstanding are the outcome of the normal trade transaction of sale and purchase.

- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the cost records maintained by the company pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- 7) In Respect of statutory dues:
  - a) According to the records of the company and information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues, including Provident Fund (PF), Employee Staff Insurance (ESI), Income-Tax, Tax deducted at source (TDS), Professional Tax, GST, Cess and any other statutory dues applicable to it, with the appropriate authorities.
  - b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-Tax, GST, Cess and any other statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.



- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the preferential allotment or private placement of shares made by the is in compliance to the provisions of Section 42 of the Companies Act, 2013. The company has not made any allotment of fully or partly convertible debentures during the year under review.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: V. SARSINI  
Date: 02.08.2021

For **RAV & Associates**  
Chartered Accountants  
FRN: 021000N  
  
  
Rupali Goyal  
(Partner)  
Membership No. : 504847

The previous period figures have been regrouped and reclassified, wherever necessary to conform to the current presentation.

## 2.1 SHAREHOLDERS FUND

## 2.1.1 SHARE CAPITAL

Particulars	AS at 31st March, 2021	AS at 31st March, 2020
<b>A) Authorized:</b>		
130,500,000 Equity Shares of Rs. 10/- each (130500000)	13,050.00	13,050.00
2,000,000 Preference Shares of Rs.10/- each (2000000)	200.00	200.00
<b>TOTAL</b>	<b>13,250.00</b>	<b>13,250.00</b>
<b>B) Issued, Subscribed and Paid-Up:</b>		
129318280 Equity Shares of Rs. 10/- each* (126318280)	12,931.83	12,631.83
2,000,000 Preference Shares of Rs.10/- each** (2000000)	200.00	200.00
<b>TOTAL</b>	<b>13,131.83</b>	<b>12,831.83</b>

\* The Company has only one class of equity shares, fully paid, having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share.

\*\* The company has only one class of preference shares, fully paid, having par value of Rs. 10/- each. The shares are non convertible into equity shares & preference share holder do not have the power to vote. In the event of liquidation of the company all the preference share holders are to be repaid in full before distribution of any sum to the equity share holders.

## 2.1.1.1 Reconciliation of number of share outstanding :

Particulars	AS at 31st March, 2021	AS at 31st March, 2020
<b>A) Equity Shares</b>		
Number of shares at the beginning	1,263.18	1,263.18
Add : Share issued during the year	30.00	0.00
<b>NUMBER OF Share at the end</b>	<b>1,293.18</b>	<b>1,263.18</b>
<b>B) Preference Shares</b>		
Number of shares at the beginning	20.00	20.00
Add : Share issued during the year	0.00	0.00
<b>Number of Share at the end</b>	<b>20.00</b>	<b>20.00</b>



2.1.1.2 Details of shareholders holding more than 5% shares in the company

Particulars	Year Ended As On 31st March.,2021	% Holding in the SHARES	Year Ended As On 31st March,2020	% Holding in the SHARES
<b>A) Equity Shares of Rs 10 each fully paid up</b>				
Mr. Akhil Satia	786.06	60.78	756.06	59.85
Shiv Parivar Trust	497.70	38.49	497.70	39.40
<b>B) Preference Shares of Rs.10 each Fully Paid up</b>				
Mr. Akhil Satia	20.00	100.00	20.00	100.00

2.1.2 RESERVE AND SURPLUS

Particulars	AS at 31st March.,2021	AS at 31st March,2020
<b>A) Profit &amp; Loss Account *</b>		
Opening Balance	903.82	543.74
Add: Net profit after tax transferred from Statement of Profit and Loss	602.05	360.07
<b>Balance In Profit and Loss account</b>	<b>1,505.87</b>	<b>903.82</b>

2.1.3 AMOUNT RECEIVED AGAINST SHARE WARRANTS

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Money Received against Equity Capital	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

2.2 Share Application Money Pending Allotment

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Share Application Money Pending Allotment * (Non Refundable)	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>



2.3 Non Current Liabilities  
2.3.1 Long Term Borrowings

Particulars	Year Ending		Year Ending	
	31st March.,2021	31st March.,2021	31st March,2020	31st March,2020
	NON CURRENT	CURRENT	NON CURRENT	CURRENT
<b>I) Secured *</b>				
<b>A) Term Loans from Banks</b>				
i) Punjab National Bank	55.74	111.29	137.52	111.29
ii) State Bank of India New	-	0.00	0.00	0.00
iii) State Bank of India (SBP)	-	0.00	0.00	264.91
iv) Union Bank of India	-	192.67	48.61	257.14
v) South Indian Bank	558.63	102.00	597.20	50.40
vi) Punjab National Bank (New)	1,511.02	282.96	1,659.58	58.08
vii) Union Bank of India (New)	1,194.86	229.56	1,318.10	47.16
viii) Allahabad bank TL	1,335.56	189.03	1,268.82	48.36
viii) Covid Loan			0.00	0.00
State Bank of India(Covid loan)	29.79	400.00		
PNB(Covid Loan)	8.16	30.00		
Allahabad Bank(Covid Loan)	42.43	28.00		
ix) GECL-Union Bank	787.00	0.00	0.00	0.00
<b>B) Term Loans from Others</b>				
1) Union Bank of India CIAZ	-	3.30	5.14	0.84
ii) ICICI Bank Ltd. Mercedes	-	-	0.00	9.45
iii) Punjab National Bank (Ertiga)	2.88	2.41	5.18	2.32
iv) ICICI Bank Ltd. Volvo loan	4.55	17.28	21.83	15.87
v) Union Bank of India CIAZ-new	4.41	0.93	3.31	3.42
vi) ICICI Bank Ltd.(Mercedeez New)	-	-	9.05	5.04
vii) ICICI Bank Ltd. (Mercedeez)	-	-	10.38	5.78
viii) Tata Motors Finance Limited	-	-	0.00	1.80
ix) ICICI Bank Ltd. (New Loan)	63.77	16.05	0.00	0.00
<b>II) Un secured</b>				
<b>A) From promoters</b>				
i) Akhil Satia	0.00	0.00	310.00	0.00
<b>TOTAL</b>	<b>5,598.80</b>	<b>1,605.46</b>	<b>5,394.71</b>	<b>881.86</b>

\*The above loans are secured by joint equitable mortgage of Company's immovable properties, present & future and hypothecation of Company's movable assets present & future (except book debts) all ranking parri-passu but subject to prior charges on specified movable assets created / to be created in favor of company's bankers for moveable assets and further personally guaranteed by the Managing Director & family of the Company.

2.3.2 DEFERRED TAXES LIABILITY

Particulars	As at 31st March.,2021	As at 31st March,2020
A) Deferred tax Liability *	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

\*Deferred Tax Liability has not been provided in compliance with Accounting Standard-22, "Accounting for Taxes on Incomes". (P.Y. Nil).

2.3.3 Other Long Term Liabilities

Particulars	AS at 31st March.,2021	AS at 31st March,2020
<b>UNSECURED LOAN :</b>		
A) Security & Advances	604.08	752.39
B) Foreign Bills Accepted under FLC for capital Goods *	0.00	143.09
C) Others - Machinery Creditors	18.83	1.28
<b>TOTAL</b>	<b>622.91</b>	<b>896.76</b>

\*Liability in foreign currency has been converted in to equivalent INR on the date of balance sheet.



### 2.3.4 Long Term Provisions

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Others - Provisions for Employee Benefits	339.68	318.87
<b>TOTAL</b>	<b>339.68</b>	<b>318.87</b>

### 2.4 Current Liabilities

#### 2.4.1 Short Term Borrowings

Particulars	AS at 31st March.,2021	AS at 31st March,2020
<b>I) Secured *</b>		
A) Working Capital Loans : Banks (Rupees Loan)		
i) State Bank of India	6,556.60	6,728.24
ii) Indian Overseas Bank	2,208.09	2,255.88
iii) Union Bank of India	2,339.98	1,603.03
iv) Allahabad Bank	665.93	688.15
v) Punjab National Bank Chd	406.46	444.81
vi) South Indian Bank	1,340.81	1,381.44
vii Andhra Bank	(0.13)	885.43
viii FITL	0.00	0.00
B) Instalment of Term Loan repayble in next 12 months	1,605.46	881.86
<b>TOTAL</b>	<b>15,123.19</b>	<b>14,868.84</b>

\* Secured by Hypothecation of all stocks of Raw Material, Store, Work in progress, Finished Stock and Book Debts & 2nd charge on fixed assets of the company and further personally guaranteed by Managing Director of the company.

#### 2.4.2 Trade Payables

Particulars	AS at 31st March.,2021	AS at 31st March,2020
<b>I) Sundry Creditors :</b>		
(Unsecured)		
A) Micro, Small & Medium Enterprises *	503.07	215.60
B) Others :		
i) Payables outstanding for a period more than six months	623.03	750.67
ii) Payables outstanding for a period less than six months	4,897.16	5,410.27
<b>TOTAL</b>	<b>6,023.26</b>	<b>6,376.54</b>

\* The details of amounts out standing to Micro, Small and Medium Exnterprises is based upon the information provided by the company. No interest during the year has been paid under the terms of the MSMED Act 2006.



### 2.4.3 Other Current Liabilities

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Statutory Liabilities	20.44	20.61
B) Interest Accrued and Due	33.39	36.80
C) Interest Accrued But not Due	18.41	78.95
D) Other Liabilities	310.41	322.81
<b>TOTAL</b>	<b>382.65</b>	<b>459.17</b>

### 2.4.4 SHORT-TERM PROVISIONS

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Provision for employee Benefits	178.50	210.18
B) Others	152.61	125.48
<b>TOTAL</b>	<b>331.11</b>	<b>335.66</b>

### 2.5 NON CURRENT ASSETS

#### 2.5.1 FIXED ASSETS

Particulars	AS at 31st March.,2021	AS at 31st March,2020
I) TANGIBLE ASSETS *		
A) Gross Block	26,411.00	26,039.66
Less : Accumulated Depreciation	15,914.74	14,807.38
<b>Sub-Total</b>	<b>10,496.25</b>	<b>11,232.28</b>
II) INTANGIBLE ASSETS	0.00	0.00
III) CAPITAL WORK IN PROCESS		
A) Advances To Suppliers	843.12	621.03
B) Capital WIP	151.61	137.50
IV) INTANGIBLE ASSETS UNDER DEVELOPMENT	0.00	0.00
<b>TOTAL</b>	<b>11,490.99</b>	<b>11,990.82</b>

\* A detailed chart depicting the details of company's assets and computation of depreciation thereof has been annexed in Annexure - A.



## 2.5.2 NON CURRENT INVESTMENTS

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Other Non-Current Investments *	232.41	220.19
<b>TOTAL</b>	<b>232.41</b>	<b>220.19</b>

\* FDR given to SBI as collateral Security against the credit facility availed from consortium

## 2.5.3 DEFERRED TAX ASSETS

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Deferred tax Asset *	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

## 2.5.4 LONG TERM LOANS AND ADVANCES

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Security Deposits*	235.36	230.46
<b>TOTAL</b>	<b>235.36</b>	<b>230.46</b>

\* Security Deposits pertains to security deposited with the Punjab State Electricity Board (now Punjab State Power Corporation Ltd.), Department of telecommunication, various Shipping Lines and other suppliers of goods and services. The balance of the security is subject to respective confirmations. The company has received interest on security deposited with PSPCL.

## 2.5.5 OTHER NON-CURRENT ASSETS

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Others :		
i) Misc Expenditures upto the extent not written off	0.00	2.65
<b>TOTAL</b>	<b>0.00</b>	<b>2.65</b>



**2.6 CURRENT ASSETS**  
**2.6.1 CURRENT INVESTMENTS**

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Others *		
i) UBI KBC Mutual fund	52.50	56.25
ii) IOB Gold Saving bond	5.91	5.91
<b>TOTAL</b>	<b>58.41</b>	<b>62.16</b>

\* The investment has been carried at its face value in accounts. Net asset value of these bonds as on 31/03/2021 was more than the face value as on that date. The increase in the NAV of Mutual Fund was of temporary nature & also not material, hence not recognized in the accounts.

**2.6.2 Inventories\***

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Raw materials	3,761.24	4,228.71
B) Work-in-progress	4,761.12	4,320.18
C) Finished goods	7,712.89	9,427.35
D) Stores and spares	1,136.03	1,102.89
E) Others - Waste Stock	26.13	24.46
<b>TOTAL</b>	<b>17,397.42</b>	<b>19,103.59</b>

\* As certified & valued by the management of the company on the date of Balance Sheet.

**2.6.3 Trade Receivables**

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Sundry Debtors		
i) Over Six Months	92.38	30.38
ii) Others	9,901.05	7,455.35
<b>Sub-Total</b>	<b>9,993.43</b>	<b>7,485.73</b>
Less: Provision for doubtful debts	-	-
<b>TOTAL</b>	<b>9,993.43</b>	<b>7,485.73</b>

(Unsecured, considered good unless otherwise stated)

**2.6.4 CASH AND CASH EQUIVALENTS**

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Cash in hand	22.04	16.74
B) Balance with Banks	570.64	669.61
C) Fixed Deposit with Banks *	421.06	386.45
D) Mutul Fund with Banks *	0.00	38.50
<b>TOTAL</b>	<b>1,013.74</b>	<b>1,111.30</b>

\* The Fixed deposits & Mutual Funds with banks are under lien of the bank on account of the margin against issuance of LCs and Bank Guarantee.



## 2.6.5 SHORT TERM LOANS AND ADVANCES

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Others - Staff Loan, Advances & Staff Imprest A/c	31.97	12.93
<b>TOTAL</b>	<b>31.97</b>	<b>12.93</b>

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Export Incentives Receivable	678.09	710.65
B) TUFs Receivable	112.93	112.93
C) VAT / GST Receivable	1,288.59	1,069.31
D) Insurance premium advance	62.92	0.00
E) TDS Receivable	48.80	33.37
F) MAT Credit Entitlement	371.41	180.14
G) Advance Tax	0.00	0.00
H) Prepaid Expenses	40.57	7.62
I) Others (All assets which are not classified above)	2.25	52.33
<b>TOTAL</b>	<b>2,605.56</b>	<b>2,166.36</b>

(Unsecured, considered good unless otherwise stated)

\* Out of this the refund application for Rs.1235422/- has been rejected by the department and against this the company has filed appeals. The management is hope full to succeed in appeal

## 2.7 CONTINGENT LIABILITIES & COMMITMENTS\*

Particulars	AS at 31st March.,2021	AS at 31st March,2020
A) Contingent Liabilities		
i) Bank Guarantee Under EPCG	1.90	1.90
ii) Pending Litigations**	96.39	96.39
	<b>98.29</b>	<b>98.29</b>

\*It has been explained that the above liabilities are routine business transactions. No provision for the pending litigations has been made in the books of accounts as the management has explained to be hopeful no liability will arise to this effect. Like wise the liability against bank guarantee is zero as the company has made the requisite export under EPCG license.



31st March, 2021

31st March, 2020

Sr. No.	Party Name	Impact on Company	Sr. No.	Party Name	Impact on Company
1	Antima	0.00	1	Antima	0.00
2	Heena Rani	0.01	2	Heena Rani	0.01
3	Om Logistics	5.34	3	Om Logistics	5.34
4	Satish Jain Contractor	79.04	4	Satish Jain Contractor	79.04
5	Popat Bhai Bombay	12.00	5	Popat Bhai Bombay	12.00
Total		96.39	Total		96.39

## 2.8.1 REVENUE FROM OPERATION

Particulars	Year Ended on 31st March, 2021	Year Ended on 31st March, 2020
A) Gross Sales	41,999.39	43,189.91
Less: Excise Duty	0.00	0.00
Net Sales	<b>41,999.39</b>	<b>43,189.91</b>
B) Other Operating Incomes	2,593.34	3,406.17
<b>TOTAL</b>	<b>44,592.73</b>	<b>46,596.07</b>

## 2.8.1.1 PARTICULARS OF SALE OF PRODUCTS

Particulars	Year Ended on 31st March, 2021	Year Ended on 31st March, 2020
<b>I) DIRECT EXPORT</b>		
A) TOWEL	26,399.14	26,526.07
B) YARN	435.34	201.01
Sub-Total	<b>26,834.47</b>	<b>26,727.08</b>
<b>II) DOMESTIC</b>		
A) TOWEL	1,107.77	990.92
B) YARN	13,428.46	14,657.31
C) OTHERS	628.70	814.60
Sub-Total	<b>15,164.92</b>	<b>16,462.83</b>
Gross Sales	<b>41,999.39</b>	<b>43,189.91</b>



**2.8.1.2 PARTICULARS OF OTHER OPERATING INCOME**

Particulars	Year Ended on 31st March.,2021	Year Ended on 31st March,2020
A) EXPORT INCENTIVES	2,534.63	2,744.33
B) OTHERS	58.71	661.84
<b>TOTAL</b>	<b>2,593.34</b>	<b>3,406.17</b>

**2.8.2 OTHER INCOME**

Particulars	Year Ended on 31st March.,2021	Year Ended on 31st March,2020
A) Interest	44.22	51.16
B) Other Non Operating Income	16.26	0.00
<b>TOTAL</b>	<b>60.48</b>	<b>51.16</b>

**2.9 EXPENDITURES****2.9.1 COST OF MATERIAL CONSUMED**

Particulars	Year Ended on 31st March.,2021	Year Ended on 31st March,2020
A) RAW MATERIAL CONSUMED	23,674.41	27,281.96
B) PACKING MATERIAL CONSUMED	1,326.39	1,171.27
C) DYES & CHEMICALS CONSUMED	2,285.87	1,948.22
D) STORE CONSUMPTION & MACHINERY MAINTENANCE	305.77	215.63
<b>TOTAL</b>	<b>27,592.44</b>	<b>30,617.08</b>



### 2.9.2 Changes in Inventories of Finished Goods, Stock in Process and Stock in Trade

Particulars	Year Ended on 31st March.,2021	Year Ended on 31st March,2020
<b>A) Opening Stock :</b>		
i) Finished Goods	9,427.35	8,964.18
ii) Stock in process	4,320.18	4,429.15
iii) Waste Stock	24.46	15.64
	<b>13,771.99</b>	<b>13,408.97</b>
<b>B) Closing Stock :</b>		
i) Finished Goods	7,712.89	9,427.35
ii) Stock in process	4,761.12	4,320.18
iii) Waste Stock	26.13	24.46
	<b>12,500.15</b>	<b>13,771.99</b>
<b>INCREASE(-)/DECREASE(+) IN STOCKS (A-B)</b>	<b>1,271.85</b>	<b>(363.03)</b>

### 2.9.3 EMPLOYEE BENEFIT EXPENSES

Particulars	Year Ended on 31st March.,2021	Year Ended on 31st March,2020
A) Salaries,Wages and Other Incentives	2,509.97	2,790.16
B) Welfare Expenses	13.16	9.60
C) Contribution to Provident and Other Funds.	170.08	218.79
<b>TOTAL</b>	<b>2,693.21</b>	<b>3,018.55</b>

### 2.9.4 FINANCE COSTS

Particulars	Year Ended on 31st March.,2021	Year Ended on 31st March,2020
A) Interest on Term Loan	713.99	663.54
B) Interest on Working Capital	1,413.42	1,481.25
C) Other Interest	260.72	295.86
D) Bank & Other Charges	233.45	212.16
<b>TOTAL</b>	<b>2,621.58</b>	<b>2,652.81</b>



## 2.9.5 DEPRECIATION AND AMORTISATION CHARGE

Particulars	Year Ended on 31st March.,2021	Year Ended on 31st March,2020
A) Depreciation	1,140.84	1,401.03
B) Amortization - Preliminary Exp.	2.65	2.65
<b>TOTAL</b>	<b>1,143.50</b>	<b>1,403.68</b>

## 2.9.6 OTHER EXPENSES

Particulars	Year Ended on 31st March.,2021	Year Ended on 31st March,2020
<b>I) MANUFACTURING EXPENSES :</b>		
A) UTILITIES:		
i) Power	2,453.51	2,615.78
ii) Freight	143.26	124.40
iii) Job Work Expenses	393.60	173.16
iv) Packing Charges	401.84	383.41
B) Repair & Maintenance :		
i) Machinery	13.18	10.35
<b>Sub-Total (I)</b>	<b>3,405.39</b>	<b>3,307.09</b>

## II) ADMINISTRATIVE AND OTHER EXPENSES :

i) ADMINISTRATION EXPENSES	7.52	12.48
ii) AUDIT FEES	0.80	0.80
iii) COMPUTER EXPESNES	2.51	3.56
iv) CONVEYANCE EXP A/C	28.31	30.63
v) DIWALI EXPENSES	2.94	7.10
vi) ECGC PREMIUM	14.45	15.05
vii) FEES & TAXES A/C	24.52	11.06
viii) LOSS ON SALE OF ASSETS	7.24	0.00
ix) HORTICULTURE EXP.	11.44	5.50
x) INSURANCE A/C	60.10	58.33
xi) INTEREST ON TCS/TDS/MAT/SERVICE TAX/GST	3.35	6.33
xii) MISC EXPENSES	2.40	2.23
xiii) POOJA EXP	0.49	0.48
xiv) POSTAGE & TELEGRAM EXP	38.46	42.17
xv) PRINTING & STATIONARY A/C	0.83	0.82
xvi) PROFESSIONAL CHARGES	87.64	80.56
xvii) RENT ACCOUNT	24.79	23.63
xviii) SHORT & EXCESS	1.11	0.00
xix) TELEPHONE EXPENSES	3.43	6.01
xx) TOUR & TRAVEL EXP	1.87	140.05
xxi) GST Expenses-Reversal	12.34	0.00
xxii) VEHICLE RUNNING & MAINTT	27.79	40.30
xxiii) REPAIR & MAINTANCES BUILDING & OTHERS	34.89	10.24
xxiv) GST CESS	1.10	0.00
xxv) TESTING CHARGES	46.57	44.83
xxvi) CHARITY & DONATION	1.12	2.71
<b>Sub-Total (II)</b>	<b>447.99</b>	<b>544.87</b>



**III) SELLING & DISTRIBUTION EXPENSES :**

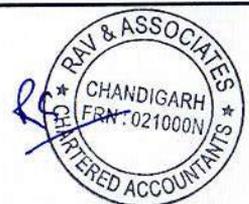
i) COMMISSION (DOMESTIC SALE)	58.17	54.92
ii) EXPORT COMMISSION	45.52	178.04
iii) REBATE & DISCOUNT ALLOWED	66.59	247.47
iv) EXPORT EXPENSES	531.60	581.89
v) FREIGHT OUTWARD	476.50	462.86
vi) LOADING & UNLOADING CHARGES A/C	91.71	92.72
vii) REFRESHMENT EXPENSES	0.10	0.22
viii) SALES & BUSINESS PROMOTION	13.30	13.19
ix) Bad Debts	0.00	0.00
Sub-Total (III)	<u>1,283.49</u>	<u>1,631.29</u>

**TOTAL (I+II+III)**5,136.87      5,483.25**2.10 EXCEPTIONAL ITEMS & PRIOR PERIOD ITEMS**

Particulars	Year Ended On 31st March, 2021	Year Ended On 31st March, 2020
A) Prior Period Expenditure	0.45	0.00
B) Prior Period Income	0.00	0.00
<b>TOTAL</b>	<u>0.45</u>	<u>0.00</u>

**2.11 ADDITIONAL DISCLOSURES****2.11.1 ACTIVITY IN FOREIGN CURRENCY**

Particulars	Year Ended On 31st March, 2021	Year Ended On 31st March, 2020
CIF Value of Imports	149.51	999.26
FOB Value of Exports	26,399.14	26,526.07
Gain from Fluctuation in Foreign Currency Rates	57.01	595.82
Loss from Fluctuation in Foreign Currency Rates	12.34	0.00



Particulars	Year Ended On 31st March, 2021	Year Ended On 31st March, 2020
<b>A) Payment to Auditors</b>		
i) For Audit	0.80	0.80
ii) For Other Services	0.00	0.00
<b>Total</b>	<b>0.80</b>	<b>0.80</b>
<b>B) Directors Remuneration</b>		
i) Mr. Akhil Satia	62.04	72.00
ii) Mr. Sunil Kaura	14.43	15.00
<b>C) Prior Period Expenditures</b>	0.45	0.00
<b>D) Prior Period Incomes</b>	0.00	0.00
<b>E) Key Management Personal :-</b>		
i) Mr. Akhil Satia		
ii) Mr. Sunil Kaura		
iii) Mrs. Neha Kochhar		
iv) Mr Rajeev Chopra	10.74	12.00
v) Mr Manjeet Kharb CS	2.27	2.27
<b>F) Relatives of Key Management Person :-</b>		
i) Mr. Anil Satia (father of Mr. Akhil Satia)		
ii) Mrs. Saloni Satia (mother of Mr. Akhil Satia)		
iii) Mr. Ankit Satia (brother of Mr. Akhil Satia)		
iv) Mrs Krishna Satia (mother of Mr. Anil Satia)		
v) Mrs. Sabhyata Mehra ( wife of Mr. Akhil Satia)		
vi) Ms. Saranya Satia (daughter of Mr. Akhil Satia)		
vii) Ms. Sifat Satia (daughter of Mr. Akhil Satia)		
viii) Mrs. Usha Kaura ( mother of Mr. Sunil Kaura)		
ix) Mrs. Babita Kaura (wife of Mr. Sunil Kaura )		
x) Mr. Pukhraj Kaura (son of Mr. Sunil Kaura )	4.55	5.85
xi) Ms Ananya Kaura (daughter of Mr. Sunil Kaura)		
xii) Mr. Rakesh Kaura (brother of Mr. Sunil Kaura )		
xiii) Mr. Sanjeev Kaura (brother of Mr. Sunil Kaura)		
xiv) Mrs. Kiran Kochhar (mother of Mrs. Neha Kochhar)		
xv) Ms. Priyanka Kochhar (sister of Mrs. Neha Kochhar)		
xvi) Mr. Rajat Sehgal ( Husband of Mrs. Neha Kochhar)		
<b>G) Relatives of Key Management Person :-</b>		
i) Mrs. Sabhyata Mehra                      Salary	21.71	25.20
<b>H) List of Associated Concern :-</b>	NIL	NIL



I) Outstanding balances in sundry debtors & creditors are subject to confirmation from the parties

J) Figures in brackets represent figures of previous year.

K) Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

In terms of our separate report of even date.

FOR RAV & ASSOCIATES  
CHARTERED ACCOUNTANTS

*Rupe*  
RUPALI GOYA  
M. NO. 504847  
FRN 021000N



DATE :  
PLACE : SARSINI

*A*  
AKHIL SATIA  
(MANAGING DIRECTOR)

*SH*  
SUNIL KAURA  
(DIRECTOR)

*R.J.*  
RAJIV CHOPRA  
(CFO) (CS)

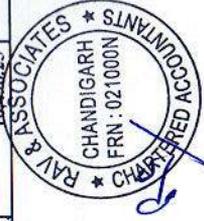
*Manjeet Kharb*  
MANJEET KHARB

*PS*  
Narosh Singla (CA)

**T. C. TERRYTEX LIMITED**

**Fixed Asset Schedule 'A' to Balance Sheet (As per Companies Act, 2013)**

Particulars	Gross Block				Depreciation				Net Block		
	Amount As On 31st March, 2020	Additions	Deletions	Amount As On 31st March, 2021	Rate Of Dep	Amount As On 31st March, 2020	During the year	Withdrawn during the year	Amount as on 31st March, 2021	W.D.V. as on 31st March, 2020	W.D.V. as on 31st March, 2021
Land	899.25	-	-	899.25	0.00%	-	-	-	-	899.25	899.25
Building Roads & Other Developments	4,184.50	80.85	-	4,265.35	3.34%	1,241.11	131.67	-	1,372.78	2,892.56	2,943.39
Plant & Machinery	20,026.19	212.59	-	20,238.78	10.34%	12,887.88	945.29	-	13,833.17	6,405.61	7,138.31
Computers	115.29	7.81	-	123.10	16.21%	104.72	2.62	-	107.34	15.76	10.56
Electrical Equipments	413.93	2.64	-	416.57	7.07%	378.42	20.93	-	399.35	17.22	35.52
Furniture & Fixtures	131.45	15.32	-	146.77	6.33%	86.71	11.59	-	98.30	48.47	44.75
Office Equipments	17.87	0.39	-	18.26	4.75%	16.17	0.42	-	16.59	1.67	1.70
Vehicles	251.18	116.30	64.58	302.91	9.50%	92.37	28.31	33.48	87.21	215.70	158.80
<b>Total</b>	<b>26,039.66</b>	<b>435.90</b>	<b>64.58</b>	<b>26,410.99</b>		<b>14,807.38</b>	<b>1,140.84</b>	<b>33.48</b>	<b>15,914.74</b>	<b>10,496.25</b>	<b>11,232.28</b>



## **T.C. TERRYTEX LIMITED**

### **FINANCIAL YEAR 2020-21**

### **DISCLOSURE OF ACCOUNTING POLICIES AND GENERAL PROFILE OF COMPANY**

#### **1. NATURE OF OPERATION:-**

T.C. Terrytex Limited (herein after referred to as 'The Company' is a manufacturer of Terry Towels mainly.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### a) Basis of Preparation:

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, except where otherwise stated. The financial statements have been prepared under the historical cost convention, except where otherwise stated, and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year

##### b) Accrual System of Accounting is followed to record income and expenditures.

##### c) Fixed Assets are shown at Historical cost. Cost of the fixed assets comprises purchase price, duties, levies and direct / indirect attributable cost of bringing the assets to its working condition for intended use. Borrowing cost related to acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition and installation are included in the cost of the assets. Expenditure for addition, improvement and renewals are capitalized and expenditure for repair and maintenance are charged to Profit & Loss Account.

##### d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.



- e) Sales are recognized on the basis of dispatch of goods to the customers and are accounted for net of return, discounts, VAT, GST and CST, where applicable.
- f) Due to change in the statute the depreciation on Fixed Assets has been provided on straight-line basis in accordance to the provisions of Schedule II Section 123 of the Companies Act 2013 and as per life of the fixed assets prescribed in Schedule II except for the specific Plant & Machinery for which the management has decided to account for depreciation during the year on the basis of remaining use full life as determined by an independent Chartered Engineer.
- g) All the related incomes & expenditures clubbed to respective single head and shown in the profit & loss account.
- h) Insurance claims are shown separately under the head other income and corresponding expenses are shown under respective expense head in the Profit and Loss A/C.
- i) Valuation of Inventories :-
- i) Raw Material, Packing Materials, Dyes & Chemicals, Stores & Spares and Fuel are at cost (weighted) or net realizable, whichever is lower. Waste & Scrap is valued at realizable value.
- ii) Semi Finished goods and Finished Goods are valued at cost (weighted) or net realizable value whichever is lower.
- iii) Work in Progress is valued at cost (weighted).
- j) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction;



### Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

#### k) Borrowing Cost

Interest & other costs incurred by the company in connection with the borrowing of funds are recognized as expenses in the period in which they are incurred unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.

#### l) Government Grants

Government grants received as capital incentives are credited to Fixed Assets account. Government grants in other forms are credited to Profit & Loss Account and to the capital account during the pre operational period.

### 3. **Contingent Liabilities not provided for in respect of:-**

- a) Bank Guarantee under EPCG 1.90 lacs (Previous year Rs. 1.90 lacs)
- b) Legal Cases Rs. 96.39 lacs ( Previous Year Rs. 96.39 lacs)

### 4. **RETIREMENT BENEFITS**

- a) GRATUITY:- Provision for gratuity liability to employees has been made by the company.
- b) PROVIDENT FUND:- Contribution to provident fund is made in accordance with the provisions of Employees Provident Fund & Miscellaneous Provisions Act 1952 by charging the same to the profit and loss account.
- c) LEAVE ENCASHMENT:- Provision for leave encashment to employees is being made by the company in accordance with law.

### 5. **LEASES**

The company at present does not have any operational lease contract.



6. **SEGMENT REPORTING**

Based on the guiding principle given in the Accounting Standard – 17 "Segment Reporting" issued by The Institute of Chartered Accountants of India, the Company in single business segment of manufacturing of Terry Towel.

7. In the opinion of Board of Directors and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in Balance Sheet subject to clause 4 above. The provision for all known liabilities is adequate and is neither excess nor short of the amount reasonably necessary.
8. The company has not provided for deferred tax liability in accordance Accounting Standard – 22, Accounting for Taxes on Income.

9. **EXPORT INCENTIVE**

Export incentives in case of export under Duty Draw Back Scheme, MEIS & ROSL have been accounted for on accrual basis.

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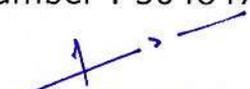
AS PER OUR REPORT OF EVEN DATE ATTACHED.

FOR RAV & ASSOCIATES  
CHARTERED ACCOUNTANTS

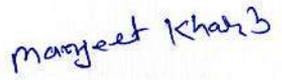

(RUPALI GOYAL)  
Membership Number : 504847

Place: V. Sarsini  
Date: 02.08.2021

  
AKHIL SATIA  
MANAGING DIRECTOR

  
SUNIL KAURA  
DIRECTOR

  
RAJIV CHOPRA  
CFO

  
MANJEET KHARB  
CS

  
Narain Singh (CA)