

33rd
Annual Report

2020 - 2021



SHREE BHAVYA FABRICS LIMITED

[CIN: L17119GJ1988PLC011120]



BOARD OF DIRECTORS

Mr. Purushottam R. Agarwal
Chairman and Managing Director

Mr. Kishan M. Yadav
Director

Mr. Ramniwas K. Pandia
Independent Director

Mr. Rameshkumar P. Agarwal
Independent Director

Mrs. Vaishali S. Soni
Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Jagdish S. Kanzariya
Company Secretary & Compliance Officer

Mr. Kishan M. Yadav
Chief Financial Officer

BANKERS

Bank of Baroda
Bank of India

STATUTORY AUDITOR

M/s. Abhishek Kumar & Associates
Chartered Accountants
Ahmedabad

INTERNAL AUDITORS

M/s. Kamal M. Shah & Co.
Chartered Accountants
Ahmedabad

SECRETARIAL AUDITORS

M/s. Mukesh H. Shah & Co.
Company Secretaries
Ahmedabad

COST AUDITORS

M/s. Kiran J. Mehta & Co.
Cost Auditors
Ahmedabad

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apartments
Marol, Maroshi Road, Andheri East,
Mumbai 400059.

REGISTERED OFFICE/PLANT

Survey No. 170, Opp. Advance Petrochem Limited,
Pirana Road, Piplej, Ahmedabad 382405,
Gujarat, India.

E-mail: csjd7bhavyafabrics@gmail.com

Website: www.shreebhavyafabrics.com

CORPORATE OFFICE

252 New Cloth Market, O/S Raipur Gate,
Ahmedabad – 380002 Gujarat, India.

Tel: 079-22133383

COMMITTEES OF BOARD OF DIRECTORS

- Audit Committee
- Stakeholder's Relationship Committee
- Nomination and Remuneration Committee

STOCK EXCHANGE

BSE Limited

ISIN

INE363D01018

CIN

L17119GJ1988PLC011120

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**NOTICE**

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of Shree Bhavya Fabrics Limited will be held on **Tuesday, the 28th day of September, 2021 at 02:30 P.M.** through Video conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:**Item No.1: Adoption of Financial Statements**

To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, the reports of the Board of Directors and the Auditors thereon.

Item No.2: Appointment of Director

To re-appoint Mr. Kishan Madanlal Yadav [DIN: 02845697] who retires by rotation and being eligible, offers him-self for re-appointment.

SPECIAL BUSINESS:**Item No.3: To approve the re-appointment of Mr. Purushottam R. Agarwal as a Managing Director of the Company.**

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, consent of the Company be and is hereby accorded for the appointment of Mr. Purushottam R. Agarwal (DIN: 00396869) as the Managing Director of the Company, for a period of 5 (five) years with effect from 1st January, 2022 upto 31st December, 2026 upon the terms & conditions of appointment including the payment of remuneration, perquisites & other benefits and including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms & conditions of the said Appointment in such manner as may be agreed to between the Board of Directors and Mr. Purushottam R. Agarwal.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise the remuneration of Mr. Purushottam R. Agarwal from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”

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

Item No.4: Ratification of remuneration payable to Cost Auditor for the financial year 2021-22.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Audit and Record) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025), on the recommendation of the Audit Committee and approval by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2020-21, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting be and is hereby approved and ratified.”

PLACE : AHMEDABAD

DATE : 23.08.2021

By Order of the Board
For, SHREE BHAVYA FABRICS LIMITED

[PURSHOTTAM R. AGARWAL]

Chairman & Managing Director

DIN: 00396869

Registered Office:

Survey No. 170, Opp. Advance Petrochem Ltd.,
Pirana Road, Piplej, Ahmedabad- 382405,
Gujarat, INDIA.

CIN: L17119GJ1988PLC011120

**NOTES:**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20 dated May 5, 2020, Circular No. 17 dated April 13, 2020 and circular No. 14 dated April 8, 2020 (hereinafter collectively referred to as “MCA Circulars”) and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively, permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained at Note No. 20 below.
3. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories in accordance with the aforesaid MCA and SEBI Circulars. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company’s website www.shreebhavyafabrics.com; websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com.
4. Body Corporates whose Authorized Representatives are intending to attend the Meeting through VC / OAVM are requested to send to the Company on the Email Id **csjd7bhavyafabrics@gmail.com**, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting and through e-voting.
5. All the documents referred to in the Notice will be available for inspection at the Company’s registered office during normal business hours on working days upto the date of AGM.
6. Those Members whose Email Id are not registered can get their Email Id registered as follows:
 - a. Members holding shares in demat form can get their Email Id registered / updated by contacting their respective Depository Participant.
 - b. Members holding shares in the physical form can get their Email Id registered by contacting our Registrar & Share Transfer Agent “Bigshare Service Private Limited” on their Email Id **bssahd@bigshareonline.com**.
7. As the AGM of the Company is held through VC / OAVM, we therefore request the Members to register themselves as speaker by sending their question / express their views from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at Email Id **csjd7bhavyafabrics@gmail.com**, 10 days prior to the Meeting. The Members who have registered themselves as speaker will only be allowed to ask queries / express their views during the AGM. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 22nd September, 2021 till Tuesday, 28th September, 2021 (both days inclusive).
9. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names are requested to send share certificates to Registrar & Share Transfer Agent of the Company, for consolidation into a single folio.
10. To support the ‘Green Initiative’, we request the Members of the Company to register their Email Ids with their DP or with the Share Transfer Agent of the Company, to receive documents / notices electronically from the Company in lieu of physical copies. Please note that, in case you have already registered your Email Id, you are not required to re-register unless there is any change in your Email Id. Members holding shares in physical form are requested to send email at **bssahd@bigshareonline.com** to update their Email Ids.
11. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission / transposition and deletion of name of deceased holder Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom



they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agent of the Company i.e. Bigshare Service Private Limited.

12. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the Registrar & Transfer Agent of the Company. In case shares held in dematerialised form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
14. Members desiring any information as regards to Accounts are requested to send an email to csjd7bhavyafabrics@gmail.com, 10 days in advance before the date of the meeting to enable the Management to keep full information ready on the date of AGM.
15. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 20.
16. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.
17. Members of the Company holding shares either in physical form or in dematerialized form as on Benpos date i.e. 03rd September, 2021 will receive Annual Report for the financial year 2020-2021 through electronic mode.
18. Members are requested to quote their Folio No. or DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar & Share Transfer Agent.
19. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

20. CDSL E-VOTING SYSTEM - FOR REMOTE E-VOTING AND E-VOTING DURING AGM:

- a. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- b. 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 to atleast 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.
- c. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- d. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- e. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.shreebhavyafabrics.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.



- f. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

1. 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 aforesaid MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorised e-Voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-Voting as well as e-Voting system on the date of the AGM will be provided by CDSL.
2. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. **Tuesday, September 21, 2021**, shall be entitled to avail the facility of remote e-Voting as well as e-Voting system on the date Tuesday of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
3. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Tuesday, September 21, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-Voting or e-Voting system on the date of the AGM by following the procedure mentioned in this part.
4. **The remote e-Voting will commence on Saturday, September 25, 2021 at 9.00 a.m. and will end on Monday, September 27, 2021 at 5.00 p.m. During this period, the Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.**
5. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
6. The Company has appointed CS Mr. Mukesh Shah, Practicing Company Secretary (Membership No. FCS: 5827; CP No: 2213), to act as the Scrutinizer for conducting the remote e-Voting process as well as the e-Voting on the date of the AGM, in a fair and transparent manner.
7. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
8. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
9. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
10. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility.



Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of Login Method shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWebIdeasDirectReg.jsp 3) 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein



	you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

11. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).



- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant **Shree Bhavya Fabrics Limited** on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; **csjd7bhavyafabrics@gmail.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.



4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least **15 days prior to meeting** mentioning their name, demat account number/folio number, email id, at **csjd7bhavyafabrics@gmail.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **15 days prior to meeting** mentioning their name, demat account number/folio number, email id, at **csjd7bhavyafabrics@gmail.com**. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY /DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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 **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdslindia.com** or contact at 022-23058738 and 022-23058542/43.

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

21. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shreebhavyafabrics.com and on the website of CDSL i.e. www.cdslindia.com within two working days of the passing of the Resolutions at the 33rd Annual General Meeting of the Company and shall also be communicated to the Stock Exchange where the shares of the Company are listed.
22. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
23. **Contact Details:**

Company	Shree Bhavya Fabrics Limited Survey No. 170, Pirana Road, Piplej, Ahmedabad – 382405 Email Id: csjd7bhavyafabrics@gmail.com
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Registrar & Share Transfer Agent	Bigshare Services Private Limited A-802 Samudra Complex, Near Klassic Gold Hotel, Off. C G Road, Ahmedabad-380009, Gujarat. Ph. No.: 079-40024135 Email: bssahd@bigshareonline.com Website: www.bigshareonline.com
E-Voting Agency	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Phone: 022- 22723333/ 8588
Scrutinizer	M/s. Mukesh H. Shah & Co. Practising Company Secretary E-Mail id: mukeshshahcs@gmail.com

24. Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the details of Directors seeking appointment / re-appointment in the Annual General Meeting to be held on Tuesday, 28th September, 2021 are provided hereunder. The Directors have furnished consent/ declaration for appointment/ reappointment as required under the Companies Act, 2013 and the Rules made thereunder:

Name of the Director	Mr. Kishan M. Yadav	Mr. Purshottam R. Agarwal
Directors Identification Number [DIN]	02845697	00396869
Date of Birth	21.06.1963	18.05.1967
Date of appointment on the Board	29.09.2020	04.12.2009
Qualifications	Graduate	Graduate
Directorship held in other Public Companies (excluding foreign, private and Section 8 companies)	NIL	2
Memberships/ Chairmanships of Committee of other public companies (includes only Audit Committee & Stakeholders' Relationship Committee)	NIL	NIL
Number of shares held in the Company	NIL	18,07,581
Expertise in Specific Area	Finance	Production, Management and Finance



EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all mentioned facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3

Mr. Purushottam R. Agarwal is a Promoter and also Chairman and Managing Director of the Company. He has excellent grasp and thorough knowledge and experience of in textile industry.

Mr. Purushottam R. Agarwal's term of office will be expired on 31st December, 2021. Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors ('Board'), in their meeting held on August 23, 2021, respectively, re-appointed Mr. Purushottam R. Agarwal, as Managing Director, for a further period of 5 (five) years effective from January 01, 2022 to December 31, 2026.

The Board, while re-appointing Mr. Purushottam R. Agarwal, as Managing Director of the Company, considered his background, experience and contributions to the Company. Looking into his knowledge of various aspects relating to the Company's affairs and business experience the Board of Directors was of the opinion that for smooth and efficient running of the business, the services of Mr. Purushottam R. Agarwal should be continued to be available to the Company and reappointed him as Managing Director of the Company for a further period of five years subject to approval of the Shareholders of the company.

The main terms and conditions relating to the re-appointment and terms of remuneration Mr. Purushottam R. Agarwal are as follows:

1. **Period:** 5 years. From January 01, 2022 to December 31, 2026
2. **Remuneration:**
 - a) Salary: Rs.3,00,000/- per Month.
 - b) Residential accommodation: Shall be provided free furnished residential accommodation
 - c) Perquisites and allowances: In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:
 - i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence; -
 - ii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company; and
 - iii) Facility of car with driver; The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.
 - d) Other Benefits:
 - i) Contribution to provident fund, pension/ superannuation/ gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
 - ii) Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air fare, boarding/lodging, travel, etc., for self and family and attendant;
 - iii) Medical/ Personal accident/ Travel insurance: Actual premium to be paid by the Company for self & family;
 - iv) Free telephone facility at residence including mobile phone & other suitable communication facilities.
 - v) Sitting Fees - The Managing Director shall not be paid any sitting fees for attending the meetings of the board of directors or committee thereof from the date of his appointment.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

3. **Minimum remuneration:** Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Purushottam R. Agarwal, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration. As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the



said Act.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act (as amended), and based on the recommendation of the Board and the NRC, the approval of the Members is sought for the re-appointment and terms of remuneration of Mr. Purshottam R. Agarwal as Managing Director as set out above.

Except Mr. Purshottam R. Agarwal being an appointee, none of the other Directors, Key Managerial Personnel are in any concerned or interested in this resolution.

Item No.: 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditor, to conduct the audit of the cost accounts / cost records of the Company for the financial year 2021-22 on a remuneration of INR 50,000 plus goods and service tax as applicable and reimbursement of out-of pocket expenses.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2021-22.

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

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

PLACE : AHMEDABAD**DATE : 23.08.2021**

By Order of the Board
For, SHREE BHAVYA FABRICS LIMITED

[PURSHOTTAM R. AGARWAL]

Chairman & Managing Director

DIN: 00396869

Registered Office:

Survey No. 170, Opp. Advance Petrochem Ltd.,

Pirana Road, Piplej, Ahmedabad- 382405,

Gujarat, INDIA.

CIN: L17119GJ1988PLC011120



DIRECTORS' REPORT

To the Members,

Your Directors have great pleasure in presenting the Thirty Third Annual Report together with the Audited statements of Accounts of your Company for the financial year ended on 31st March, 2021.

FINANCIAL SUMMARY

The Highlights of the financial performance of the Company during the period ended March 31, 2021:

(Amount in Lacs)

Particulars	Financial Year 2020-21	Financial Year 2019-20
Revenue from operations	14482.37	20252.00
Other income	52.37	34.43
Total Revenue	14534.54	20286.44
Expenses		
(a) Cost of materials consumed	8943.54	14042.05
(b) Purchases of stock-in-trade	437.30	211.42
(c) Changes in inventories of FG, WIP & Stock-in-Trade	(914.58)	(1067.81)
(d) Employee benefits expense	454.25	526.60
(e) Finance costs	776.17	896.79
(f) Depreciation and amortization expense	162.03	184.07
(g) Other expenses	4657.87	5372.77
Total Expenses	14516.58	20165.90
Profit/ (Loss) before tax	17.96	120.54
Tax expense:		
(a) Current tax expense	6.80	24.50
(b) Deferred tax	3.82	6.72
(c) Prior Period Adjustment	3.97	2.06
Profit / (Loss) for the year	3.37	87.25
Earnings per share (face value Rs.10/-) Basic & Diluted	0.04	0.92

OPERATIONS REVIEW:

The Company's total revenue from operations during the financial year ended 31st March 2021 were Rs. 14482.37 Lacs as against Rs. 20252 Lacs of the previous year representing decrease of approximately about 28.49% over the corresponding period of the previous year with total expenses of Rs. 14516.58 lacs (previous year of Rs. 20165.90 lacs). The Company has made Net Profit of Rs. 3.37 Lacs as against Rs. 87.25 Lacs of the previous year. The EPS of the Company for the year 2020-2021 is Rs. 0.04.

The business of the company has suffered due to sluggish economic scenario prevailing after the Covid pandemic. The second wave of Covid-19 had adversely affected the recovery in domestic economic activity as well as operational performance of the company. We continue to closely monitor the COVID-19 situation on a regular basis and will continue to take all necessary precautions for the safety of our employees, business partners, communities, and all stakeholders concerned. We are confident to emerge stronger from the current crisis and create long-term value for all our stakeholders.

TRANSFER TO RESERVES

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

DIVIDEND

No dividend has been recommended in respect of the financial year ended 31st March, 2021 and the entire surplus be ploughed back to the business to meet the needs for additional finance for capital expenditure.

EXPORTS

During the financial year, the Company has achieved export sales of Rs. 3,15,93,754 Lakhs (previous year of Rs. 3,36,20,743).

**FIXED DEPOSIT**

The Company has neither accepted nor invited any deposit from public, falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the year under review there is no change in share capital of the Company.

The Authorised Share Capital of the Company as at 31st March, 2021 stood at Rs.10,00,00,000/-and the Paid-up Equity Share Capital of the Company as at 31st March, 2021 stood at Rs.9,50,00,000/-.

During the year under review, the Company has not issued any Share Capital.

REPORTING OF FRAUD

During the year under review there was no instance of any fraud which has been reported by any auditor to the audit committee or the board

SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATES COMPANIES

During the year under review, the Company does not have any Subsidiary, Joint Venture (JV) or Associates Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors consists of 5 (Five) members, of which 3 (Three) are Independent Directors. The Board also comprises of one woman Independent Director.

During the year under review company has appointed Mr. Kishan M. Yadav, as an Executive Director of the company.

Key Managerial Personnel (KMP)

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Purushottam R. Agarwal, Chairman and Managing Director, Mr. Kishan M. Yadav, Director and Chief Financial Officer and Mr. Jagdish S. Kanzariya, Company Secretary are the Key Managerial Personnels of the Company.

Appointments and Resignations of the Key Managerial Personnel

Ms. Jyoti N. Devnani has resigned from the post of Company Secretary w.e.f. 01st October, 2020 and Mr. Jagdish S. Kanzariya, was appointed as Company Secretary of the company w.e.f 09th March, 2021.

Retirement by Rotations

In accordance with the provisions of section 152 (6) of the Act and in terms of the Articles of Association of the Company, Mr. Kishan Madanlal Yadav, Executive Director (DIN: 02845697) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Declaration by Independent Directors

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms and conditions of the Independent Directors are incorporated on the website of the Company www.shreebhavyafabrics.com

Profile of Directors seeking Appointment/Re-appointment

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are annexed to the this notice convening Thirty Third Annual General Meeting.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Regular Board Meetings are held once in a quarter, inter-alia, to review the quarterly results of the Company.

During the year under review 6 (Six) Board Meetings were convened and held on **30.07.2020, 28.08.2020, 30.09.2020, 11.11.2020, 13.02.2021 and 09.03.2021**. The intervening gap between the two meetings was within the period prescribed under the Companies Act, 2013. The details of the meetings are furnished in the Corporate Governance Report which forming part of this Annual Report.

COMMITTEES OF THE BOARD OF DIRECTORS

Your Company has several Committees which have been established as part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board of Directors:



- ◆ Audit Committee
- ◆ Stakeholder's Grievances and Relationship Committee
- ◆ Nomination and Remuneration Committee

The details with respect to the compositions, powers, terms of reference and other information of relevant committees are given in details in the Corporate Governance Report which forming parts of this Annual Report.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Company has a Nomination and Remuneration Committee. The Committee reviews and recommend to the Board of Directors about remuneration for Directors and Key Managerial Personnel and other employee up to one level below of Key Managerial Personnel. The Company does not pay any remuneration to the Non-Executive Directors of the Company. Sitting fee is paid as per the policy of the company for attending the Meetings of the Board of Directors and Committees of the Board. Remuneration to Executive Directors is governed under the relevant provisions of the Act and approvals.

The Company has devised the Nomination and Remuneration Policy for the appointment, re-appointment and remuneration of Directors, Key Managerial. All the appointment, re-appointment and remuneration of Directors and Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company.

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

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, required under Section 134 (3) (m) of the Companies Act, 2013 forms part of this Annual Report as Annexure-I.

ANNUAL RETURN OF THE COMPANY

Pursuant to Sub-section 3(a) of Section 134 and Sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the copy of the Annual Return of the Company for the Financial Year ended on 31 March 2021 in Form MGT-7 is uploaded on website of the Company and can be accessed at www.shreebhavyafabrics.com.

CORPORATE GOVERNANCE REPORT

The Company has taken adequate steps to adhere to all the stipulations laid down under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance included as a part of this Annual Report is given in **Annexure-II**.

A certificate from the Practicing Company Secretary of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Reg. 27 & 34 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report for the financial year under review as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in the separate section forming part of this Annual Report.

INSURANCE

Assets of your Company are adequately insured against various policies.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of financial year as on 31st March, 2021 and the date of Director's Report i.e. 23.08.2021.

LISTING WITH STOCK EXCHANGE:

The Company's shares are listed on the BSE Limited (BSE) at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The Company has paid the Annual Listing Fees for the year 2021-22 to BSE Limited.

VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company www.shreebhavyafabrics.com.

**RISK MANAGEMENT POLICY:**

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section.

SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2020-2021, the Company has not received any complaints on sexual harassment.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, Composition of the Board and Committees, culture, execution and performance of specific duties, obligation and governance. The performance evaluation of the Independent Directors was completed.

During the financial year under review, the Independent Directors met on 09th March, 2021 inter-alia, to discuss:

- ◆ Performance evaluation of Non Independent Directors and Board of Directors as a whole;
- ◆ Performance evaluation of the Chairman of the Company;
- ◆ Evaluation of the quality of flow of information between the Management and Board for effective performance by the Board.

The Board of Directors expressed their satisfaction with the evaluation process.

COMPLIANCE WITH THE SECRETARIAL STANDARDS:

The company has complied with all the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT:

As stipulated in Section 134(3)(c) read with sub section 5 of the Companies Act, 2013, Directors subscribe to the "Directors' Responsibility Statement", and confirm that:

- a) In preparation of annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed and that no material departure have been made from the same;
- 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 at the end of the financial year and of the profit or loss of the Company for that year;
- 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 for the year ended 31st March, 2021 on going concern basis.
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- 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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of Loans, Guarantees or Investments covered under the provisions of section 186 of the Companies Act, 2013 made during the year under review are disclosed in the financial statements.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

**Remuneration Ratio of Directors/ KMP/ Employees:**

Name	Designation	Remuneration Paid		Increase in remuneration from previous year (Rs.)	Ratio/ Times per Median of employee remuneration
		FY 2020-21 (Rs.)	FY 2019-20 (Rs.)		
Mr. Purushottam R. Agarwal	Managing Director (MD)	24,02,400	25,02,400	0	10.64
#Ms. Jyoti Devnani	Company Secretary (CS)	2,44,760	3,41,377	0	1.40
\$Mr. Jagdish S. Kanzariya	Company Secretary (CS)	29,430	NA	0	0
Mr. Kishan M. Yadav	Chief Financial Officer (CFO)	0	0	0	0

Ms. Jyoti Devnani has resigned from the post of Company Secretary w.e.f 01st October, 2020.

\$ Mr. Jagdish Kanzariya has appointed as Company Secretary w.e.f 09th March, 2021.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

- Employed throughout the year : Nil
- Employed for part of the year : Nil

The numbers of permanent employees as on rolls of Company are 128 as on 31 March, 2021.

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the Company.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered during the financial year were in the Ordinary course of business of the Company and were on arm's length basis. There were no materially significant related party transactions entered by the Company with its Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company.

All Related Party transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval for normal business transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee. The details of Related Party Transactions are given in the notes to the financial statements. The policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company www.shreebhavyafabrics.com

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, as prescribed in Form AOC-2. **Annexure III.**

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has laid down the set of standards, processes and structure which enables to implement internal financial control across the Organization and ensure that the same are adequate and operating effectively. To maintain the objectivity and independence of Internal Audit, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with the operating systems, accounting procedures and policies of the Company. Based on the report of Internal Auditor, the process owners undertake the corrective action in their respective areas and thereby strengthen the Control. Significant audit observation and corrective actions thereon are presented to the Audit Committee of the Board.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

AUDITORS**Statutory Auditor and their report**

M/s. Abishek Kumar & Associates., Chartered Accountants, Ahmedabad (Firm Registration No. 130052W) were appointed as Statutory Auditors of the Company for a term of five (5) consecutive financial years from the conclusion of the 29th Annual General Meeting till the conclusion of 34th Annual General Meeting at the 29th Annual General Meeting held on September 29, 2017. The appointment was subject to ratification by the members at every subsequent AGM thereafter.



Pursuant to The Companies Amendment Act, 2017 the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. In view of the above, ratification by the Members for continuance of their appointment at this AGM is not being sought.

The Statutory Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2021 is self-explanatory and do not call for further explanations or comments that may be treated as adequate compliance of Section 134 of the Companies Act, 2013.

Internal Auditors:

M/s. Kamal M. Shah & Co., Chartered Accountants, Ahmedabad has been appointed as Internal Auditors of the Company. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the Internal Audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s Mukesh H. Shah & Co, Practicing Company Secretary, Ahmedabad, to undertake the Secretarial Audit of the Company for the financial year 2020-2021.

The Report of the Secretarial Audit is annexed to this Annual Report as **Annexure-IV**.

Cost Auditors

Pursuant to provisions of Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors had, on recommendation of the Audit Committee, re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor of the Company for the financial year 2020-21, on the remuneration terms as approved by the members at the last Annual General Meeting held on 29th September 2020. The Cost Audit report for the financial year 2019-20 was filed within the due date. The due date for submission of the Cost Audit Report for the financial year 2020-21 is within 180 days from 31st March, 2021.

The Board has re-appointed M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad for the Financial Year 2021-22 as a Cost Auditor of the Company in the Board meeting held on 30th June, 2021, after obtaining its willingness and eligibility letter for appointment as Cost Auditor of the Company. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to Kiran J. Mehta & Co. is included in the Notice convening 33rd Annual General Meeting of the Company.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

APPRECIATION

Your Directors express their gratitude for the dedicated services put in by all the employees of the Company.

ACKNOWLEDGEMENT:

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by financial institutions, banks, and customers during the year under review. The Directors also thank the Company's vendors, investors, business associates, Stock Exchanges, Government of India, State Government and various departments and agencies for their support and co-operation.

PLACE : AHMEDABAD

DATE : 23.08.2021

**For and on behalf of the Board
SHREE BHAVYA FABRICS LIMITED**

**[PURSHOTTAM R. AGARWAL]
Chairman & Managing Director
DIN: 00396869**



ANNEXURE- I

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, required under Section 134(3)(m) of the Companies Act, 2013 are asunder:

A. CONSERVATION OF ENERGY:

Energy Conservation Measures Taken

Conservation of Energy has always been an area of priority in the Company's operations. The Company is in the process of installation of energy efficient machinery. Further, details of power and fuel consumption have been mentioned in the Notes to the financial statements.

B. RESEARCH & DEVELOPMENT:

The Company has no specific Research & Development Department. However, the Company has Quality Control Department to check the quality of different product manufactured.

C. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

The Company always keeps itself updated with all latest technological innovations by way of constant communications and consulting. Efforts are being made to reduce cost and to improve performance.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earnings and Outgo	2020-21	2019-20
a) Foreign exchange earnings	3,15,93,754	3,36,20,743
b) CIF Value of imports	-	-
c) Expenditure in foreign currency	-	-

PLACE : AHMEDABAD

DATE : 23.08.2021

For and on behalf of the Board
SHREE BHAVYA FABRICS LIMITED

[PURSHOTTAM R. AGARWAL]
Chairman & Managing Director
DIN: 00396869



ANNEXURE - II

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended on March 31, 2021:

"Corporate Governance refers to the set of systems, principles and processes by which Company is governed. They provide the guideline as to how the Company can be directed or controlled so as to fulfill its goals and objectives in a manner that adds to the value of the Company and benefit to all the stakeholders in the long term. Strong and improved Corporate Governance practices are indispensable in today's competitive world and complex economy".

Corporate Governance is corporate discipline, extended transparency, integrity and accountability towards all stakeholders. Corporate Governance helps to achieve excellence to enhance stakeholder's value by focusing on long-term value creation without compromising on integrity, social obligations and regulatory compliances.

Shree Bhavya Fabrics Limited's philosophy is to view the Corporate Governance from the view point of business strategy rather than mere compliance norms. The Company believes in adopting and adhering to the best recognized corporate governance practices and continuously benchmarking itself against each such practice. As a responsible Corporate, we use this framework to maintain accountability in all our affairs, and employ democratic and open processes. Strong Governance practices of the Company have been rewarded in terms of improved share valuations, stakeholder's confidence, market capitalizations etc.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Shree Bhavya Fabrics Limited has always been committed to the principal of continuous good corporate governance and always strives to improve performance at all level by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. Transparency, integrity, professionalism and accountability- based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Shree Bhavya Fabrics believes that good corporate governance practice enables the management to direct and control the affairs of a company in a more efficient manner and achieve its ultimate goal of maximizing value for all its stakeholders.

The Company's corporate governance practices emanate from its commitment towards discipline, accountability, transparency and fairness. The Company's has been diligently developing best practices to ensure its responsibility to the stakeholders.

The Board of Directors represents the interest of the Company's stakeholders, for optimizing long term value by way of providing necessary guidance and strategic vision to the Company.

2. BOARD OF DIRECTORS:

(A) Composition of the Board:

The Board of Directors of the Company has been constituted in manners which ensure the optimum combination of Executive/ Non-Executive and Independent/ Non-Independent Directors to ensure proper governance and management. Your Company's Board comprises of 5 (Five) Directors of which 2 (two) is Executive and Non-Independent and 3 (Three) are Non-Executive and Independent Directors. The Chairman of the Board of Directors is Executive Director.

Mr. Purushottam R Agarwal, Promoter and Executive Director, is the Chairman and Managing Director of the Company, heading the Board.

Ms. Vaishali Soni serves as Non-Executive/ Independent- Women Director on the Board of Directors Thus, the Company complies with the requirement of appointment of Women Director under the Companies Act, 2013 and Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(B) Category of Directors, their attendance at the Board and AGM, etc.

The category of Directors, their attendance at the Board Meetings for the year 2020-21 and the last Annual General Meeting, the particulars of no. of other Directorships and Committee Memberships held are as follows:



Attendance record of Directors attending the Board meetings and Annual General Meetings during the year 2020-21:

Name of the Director, their Designation & (DIN)	Category of Director	No. of Board Meetings		Last AGM Attendance	No. of other Directorship & Committee Member/Chairmanship in other Companies		
		Held	Attended		Directorship*	Committee** Membership	Committee Chairmanship**
Purushottam R. Agarwal (00396869)	Executive Director	6	6	Yes	03	–	-
#Kishan M. Yadav (02845697)	Executive Director	6	4	Yes	–	–	–
Ramniwas K. Pandia (02875168)	Non-Executive & Independent Director	6	6	Yes	–	–	–
Vaishali S. Soni (07245825)	Non-Executive & Independent Director	6	6	Yes	–	–	–
Ramesh P. Agarwal (07706882)	Non-Executive & Independent Director	6	6	Yes	–	–	–

*Including Private Companies, **Committees include Audit Committee & Stakeholder's Grievance and Relationship Committee for the purpose of Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appointed as Executive Director w.e.f. 29th September, 2020.

(C) Information on Board Directors and Board Meetings:

The Board Meetings are held at least once in every quarter inter-alia, to review the quarterly results of the Company. The gap between the two Board Meetings does not exceed 120 days. Every Director on the Board is free to suggest any item for inclusion in the agenda for the consideration of the Board. The Board Meetings are generally held at the Registered Office of the Company. All the mandatory items as prescribed in Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are placed before the Board of Directors.

During the year under review the Board of Directors met 6 (Six) times on 30.07.2020, 28.08.2020, 30.09.2020, 11.11.2020, 13.02.2021 and 09.03.2021.

The Board of Directors periodically reviews Letter of Assurance to strengthening the legal framework step by step in order to ensure the compliance with all the applicable Laws pursuant to Regulation 17(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors has its own plan on orderly succession for appointment to the Board of Directors and Senior Management pursuant to Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Performance evaluation of Independent Directors has been evaluated by the Board of Directors in its Board Meeting held on 09.03.2021 for the financial year 2020-21 pursuant to Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A separate Meeting of Independent Directors was held on 09.03.2021 to review the performance of Non-Independent Directors and Board of Directors as whole pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the terms and conditions of Independent Directors are incorporated on the website of the Company www.shreebhavyafabrics.com.

(A) Disclosure of relationships between Directors inter-se: None of the Directors are related to each other.

**(B) Number of Shares held by Non-Executive Independent Directors**

The details of Shares held by Non-Executive Directors of the Company pursuant to Regulation 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 31st March, 2020 are as under:

No.	Name of Non-Executive Director	No. of Shares held	% Held
1.	Mr. Ramesh Agarwal	Nil	0.00
2.	Mr. Ramniwas Pandia	Nil	0.00
3.	Ms. Vaishali Soni	Nil	0.00

(C) Code of Conduct:

The Board has laid down a Code of Business Conduct and Ethics (the "Code") for all the Board Members and Senior Management of the Company. Reference of part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with in Compliance with Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has adopted a Code of Ethics for principal Executives and the Senior Management Personnel covering duties of Independent Directors as laid down in the Companies Act 2013. All the Board Members and Senior Management Personnel have affirmed Compliance with the Code of Conduct. The Code is available on the website of the Company. A declaration signed by the Chairman and Managing Director to this effect is attached at the end of this report.

(D) CEO/ CFO certification :

Pursuant to Regulation 17(8) and Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CEO and CFO of the Company have certified to the Board of Directors the financial statement for the financial year ended 31st March, 2021.

(E) Risk Management

The Company has framed a formal Risk Management Framework for risk assessment and risk minimization which is periodically reviewed to ensure smooth operation and effective management control. The Audit Committee also reviews the adequacy of the risk management framework of the Company, the key risks associated with the business and measure and steps in place to minimize the same. The Board undertakes periodic review of various matters.

3. COMMITTEES OF THE BOARD:

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

(A) AUDIT COMMITTEE:

Apart from all the matters provided in 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company. The Chief Financial Officer, representatives of Statutory Auditors, Internal Auditor and Finance & Accounts department are invited to the meetings of the Audit Committee.

Composition and Attendance:

The Audit Committee comprises of three (3) Directors and all are Non-Executive and Independent Directors. The Chairman of the Audit Committee is a Non-Executive and Independent Director. The Constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013 as well as Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Statutory Auditors and Internal Auditors attend the meetings by invitation. Mr. Ramniwas K. Panida, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.



During the year the Audit Committee met 4 times on 30.07.2020, 28.08.2020, 11.11.2020 and 13.02.2021 attendance of the members as under:

Name of the Director	Designation	Category	No. of Meeting attended	
			Held	Attended
Mr. Ramniwas K Panida	Chairman	Non-Executive & Independent Director	4	4
Mr. Ramesh P. Agarwal	Member	Non-Executive & Independent Director	4	4
Mrs. Vaishali S. Soni	Member	Non-Executive & Independent Director	4	4

The Committee is authorised by the Board of Directors in the manner as envisaged under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013. The Committee has been assigned task as listed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews the information as listed under Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

(B) STAKEHOLDERS' GRIEVANCES AND RELATIONSHIP COMMITTEE:

Composition and Attendance :

The Stakeholder's Grievances and Relationship Committee comprises of 3(three) Directors, all are Non-executive Independent Directors. The Chairman of this Committee is Non-Executive Independent Director.

During the year, 2 (two) Shareholder Grievance Committee meetings were held Committee met 2 times on 28.08.2020 and 11.11.2020 attendance of the members as under:

Name of the Director	Designation	Category	No. of Meeting attended	
			Held	Attended
Mr. Ramniwas K Pandia	Chairman	Non-Executive & Independent Director	2	2
Mrs. Vaishali S. Soni	Member	Non-Executive & Independent Director	2	2
Mr. Ramesh P. Agarwal	Member	Non-Executive & Independent Director	2	2

Terms of reference and complaints:

The Stakeholders' Relationship Committee deals with the matter of redressal of Shareholders and Investors complaints for transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc.

The Board has delegated the said powers for approving transfer and transmission of shares and issue of duplicate shares to Transfer Committee. The status of transfer, duplicate etc., is periodically reported to the Committee. Other details for shareholders have been provided separately in Shareholders' Information.

- 1) Name of Non-executive Director heading the Committee: Mr. Ramniwas K. Pandia.
- 2) Number of shareholders' complaints received: During the year 2020-2021, the Company received complaints: Nil
- 3) Number not solved to the satisfaction of shareholders: Nil
- 4) Number of pending share transfers: Nil
- 5) During the year the Committee met: 2 times.

(C) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee for appointment and remuneration of executive directors was constituted and consists of Non-executive Independent Directors and Non-executive and Non-independent which evaluates and finalizes among other things, compensation and benefits of the Executive Directors. The Constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013 as well as Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition and Attendance at the N&RC meetings**

During the financial year, 2 (Two) Nomination and Remuneration Committee Meetings were held as on 28.08.2020 and 09.03.2021. The Committee reviews the information as listed under Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as under Section 178 of the Companies Act, 2013.

Name of the Director	Designation	Category	No. of Meeting attended	
			Held	Attended
Mr. Ramniwas K Pandia	Chairman	Non-Executive & Independent Director	2	2
Mrs. Vaishali Soni	Member	Non-Executive & Independent Director	2	2
Mr. Ramesh Agarwal	Member	Non-Executive & Independent Director	2	2

4. REMUNERATION OF DIRECTORS**(a) Remuneration Policy:**

The Objective of Remuneration Policy is directed towards having the compensation structure that will reward and retain the talent.

The Company has adopted and implemented the provision of Section 178 of the Companies Act, 2013 on the requirement of the Committee to recommend to the Board a policy, relating to the remuneration of the Directors, Key management personnel and Senior Management.

The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and its goal.

The remuneration levels are governed by industry pattern, qualification and experience of employee, responsibilities shouldered, individual performance and Company performance.

Non-Executive Directors have no pecuniary relationship or transaction with the Company, except receiving sitting fees for attending Meetings. The Company does not pay any severance fee and no stock option is available to the directors.

(b) Disclosures with respect to Remuneration :

The aggregate value of salary, perquisites, commissions, Performance incentive & Sitting fees paid for the year 2020-2021 to all the Directors are as follows.

(Rs.In Lacs)

Name of Director	Status Category	Sitting Fees					Remuneration Fixed Salary	Total
		BM	AC	SGRC	NRC	IDM		
Mr. Purushottam R. Agarwal	ED	-	-	-	-	-	24.02	24.02
Mr. Kishan M. Yadav	ED	-	-	-	-	-	-	-
Mr. Ramniwas K Panida	ID&NED	-	-	-	-	-	-	3.00
Mrs. Vaishali Soni	ID&NED	-	-	-	-	-	-	0.24
Mr. Ramesh Agarwal	ID&NED	-	-	-	-	-	-	-
Total								27.26

Notes: BM- Board Meeting, AC- Audit Committee Meeting, SGRC- Shareholders Grievance and Relationship Committee Meeting, NRC- Nomination and Remuneration Committee Meeting. IDM- Independent Director Meeting.

Fixed Salary includes Salary, Perks & Retirement Benefits.

5. INFORMATION ABOUT GENERAL BODY MEETINGS :**A. Annual General Meetings/Extra-Ordinary General Meetings**



Location and time for last 3 years Annual General Meetings/ Extra Ordinary General Meetings held as under:

Financial Year	AGM	Location/ Place of Meeting	Date	Time a.m./ p.m.
2019-20	32nd	Through Video Conferencing/ Other Audio Visual Means	29.09.2020	01.30 P.M.
2018-19	31st	252, New Cloth Market, O/s. Raipur Gate, Ahmedabad – 380002	30.09.2019	11.00 A.M.
2017-18	30th	252, New Cloth Market, O/s. Raipur Gate, Ahmedabad – 380002	27.09.2018	11.00 A.M.

No Extra-Ordinary General Meeting was held during the financial year 2020-21.

B. Special Resolution

Particulars of Special Resolution passed at last 3 years Annual General Meetings/ Extra Ordinary General Meetings are as follows:

FY (AGM/EGM)	Particulars	Date
2019-20(AGM)	1. Re-appointment of Vaishali Soni (DIN: 07245825) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013. 2. Approval of Related Party transaction pursuant to provision of section 188(1) of the Companies act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	29.09.2020
FY (AGM/EGM)	Particulars	Date
2018-19 (AGM)	1. Re-appointment of Mr. Ramniwas K Pandia as an Independent Director. Ratification of the remuneration of the Cost Auditors for the year 2019-2020	30.09.2019

C. Postal Ballot:

During the financial year under review the Company had not transacted any business- special resolution through Postal Ballot

6. MEANS OF COMMUNICATION

The Company has submitted its quarterly, half yearly and yearly financial results to the Stock Exchanges as well as published in leading Newspapers normally in leading English and in Vernacular daily Newspapers immediately after its approval by the Board. The Company did not send the half yearly report to the Shareholders of the Company.

a) Financial Results for the Quarter ended:

30th June, 2021	45 days from end of Quarter 30th June, 2021
30th September, 2021	45 days from end of Quarter 30th September, 2021
31st December, 2021	45 days from end of Quarter 31st December, 2021
Audited Results for the year ended on 31st March, 2022	60 days from end of Financial Year (i.e. on or before 30th May, 2022)

b) SEBI Complaints Redress System (Scores):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

c) **BSE Listing Centre:**

The new electronic system introduced by BSE Limited for submission of Quarterly/ Half Yearly/ yearly compliance like Shareholding Pattern, Corporate Governance Report, Board Meeting intimation of the Company and other corporate announcements in e-mode. BSE Listing Centre is web based application designed by the BSE Limited for Corporate.

7. **GENERAL INFORMATION FOR SHAREHOLDERS**

Date of Incorporation of the Company	16th August, 1988
Financial year	01.04.2020 to 31.03.2021
Day, date and time of AGM	Tuesday, 28th September, 2021 at 02:30 P.M.
Venue of Annual General Meeting	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)
Dates of Book Closure	22.09.2021 to 28.09.2021 (both days inclusive)

a) **LISTING ON STOCK EXCHANGE/S**

The Shares of the Company are listed at BSE Limited.

b) **STOCK CODE AND ISIN NO.**

Stock Exchange	Scrip Code	ISIN
BSE Ltd.–Mumbai	521131	INE363D01018

c) **STOCK MARKET DATA**

Monthly high and low of closing quotations of shares traded on BSE Limited, Mumbai.

Month	High Price (Rs)	Low Price (Rs)
April, 2020	2.77	2.19
May, 2020	3.19	2.38
June, 2020	4.56	2.38
July, 2020	4.55	3.13
August, 2020	3.80	3.01
September, 2020	4.20	3.01
October, 2020	4.18	2.89
November, 2020	4.09	3.24
December, 2020	3.88	3.06
January, 2021	4.74	3.88
February, 2021	5.01	4.74
March, 2021	6.00	5.05

d) **SHAREHOLDING PROFILE:**

Mode of Holding	As on 31st March, 2021			As on 31st March, 2020		
	No. of holders	No. of Shares	% to Equity	No. of Holders	No. of Shares	% to Equity
Demat	1339	86,36,855	90.91	1,357	86,36,855	90.91
Physical	1580	8,63,145	9.09	1,580	8,63,145	9.09
Total	2919	95,00,000	100	2,937	95,00,000	100



e) SHAREHOLDING PATTERN (AS OF 31ST MARCH 2021)

No.	Categories	No. of shares	% of total holding
A	Promoters Holding		
	Promoter & Promoter Group		
	Indian	44,90,675	47.27
	Foreign	-	-
B	Non-Promoter Holding		
	Institutional :		
	Mutual Fund	-	-
	Non-Institutional :		
	Bodies Corporate	2,99,033	3.15
	Individuals :		
	Capital upto Rs.2 Lacs	16,82,129	17.71
	Capital greater than Rs.2 Lacs	22,63,546	23.83
	Any Others :		
	HUF	6,74,655	7.10
	NBFC registered with RBI	75000	0.79
	Clearing Member	146	0.00
	NRIs	14,816	0.16
	Total	14,816	0.16

f) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2021

Share Balance	Holders	% of Total	Share Amount	% of Total
Upto 1- 5000	2298	78.73	5919800	6.23
5001- 10000	300	10.28	2490450	2.62
10001- 20000	133	4.55	2079330	2.19
20001- 30000	43	1.47	1104820	1.16
30001- 40000	13	0.45	467380	0.49
40001- 50000	31	1.06	1485010	1.56
50001- 100000	41	1.40	3058870	3.22
100001- 9999999999	60	2.06	78394340	82.52
TOTAL	2919	100.00	95000000	100

g) REGISTRAR AND SHARE TRANSFER AGENT (RTA)

The Company has changed RTA from M/s. Sharepro Services (I) Pvt. Ltd. to M/s. Bigshare Services Private Limited w.e.f. 01.06.2016; hence Members are requested to correspond with the Company's new Registrar and Transfer Agents for all matters related to share transfers, dematerialization, complaints for non-receipt of refund order/dividends etc. at the following address:

M/s. Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (next to Keys Hotel),
Marol Maroshi Road, Andheri East, Mumbai 400059.

Ahmedabad Branch office: A-802 Samudra Complex,
Near Klassic Gold Hotel, Off. C. G. Road, Ahmedabad-380009, Gujarat, INDIA
Phone No.: 079-40024135

Email: bssahd@bigshareonline.com Website: www.bigshareonline.com

**h) Investors Communication and Investors Complaints to be address to:****For Share Transfers/ Dematerialization or other queries relating to Shares:****M/s. Bigshare Services Private Limited**

A-802 Samudra Complex, Near Klassic Gold Hotel,

Off. C G Road, Ahmedabad-380009, Gujarat

Ph. No.: 079-40024135

Email: bssahd@bigshareonline.comWebsite: www.bigshareonline.com**For other inquiry write to Company:****Mr. Jagdish S. Kanzariya- Company Secretary**

Registered Office: 170, Opp. Advance Petrochem Ltd,

Pirana Road, Piplej, Ahmedabad – 382405. Gujarat, INDIA

Phone No.: 079- 22133383

E-mail: csjd7bhavyafabrics@gmail.com**i) SHARE TRANSFER SYSTEMS**

Applications for transfer of shares in physical form are processed by the Registrar and Share Transfer Agent of the Company. The Transfer Committee constituted for transfer/ transmission of shares, issue of duplicate shares, demat/ remat request and allied matters considers and approves the share transfer once in fortnight subject to transfer instrument being valid and complete in all respects.

The Company obtained Certificates from Company Secretary in Practice for Compliance of Share transfer formalities pursuant to Regulation 40(9) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on half yearly basis. The Company also carried out quarterly Secretarial Audit for the reconciliation of Share Capital regularly.

j) RECOMMENDATION TO GET THE SHARES DEMATERIALIZED

The trading in the Company's equity shares is compulsorily in dematerialized mode. The Company has tied up with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Thus the investors can exercise dematerialization and transfer actions through a recognized Depository Participant (DP) who is connected to NSDL or CDSL. We strongly recommend all the members holding shares in physical form to promptly get their shares dematerialized.

k) Registration of Email-ID for receipt of Notices of General Meetings, Annual Report, etc. in e-Form

The Ministry of Corporate Affairs has taken 'Green Initiative in Corporate Governance' by allowing paperless compliances by the Company and has issued circulars allowing service of notices/ documents including Annual Report by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses so far, are requested to register the same in respect to electronic holdings with the Depository through their Depository Participants.

Members holding shares in physical form are requested to get their email addresses registered with the Company/ its Registrar & Share Transfer Agent

l) Outstanding GDRs/ADRs/Warrants/Options or any Convertible Instruments

The Company has no outstanding GDRs/ADRs/Warrants/Options or any convertible instruments as on 31st March 2021.

m) Proceeds from Public Issue/Rights Issue/Preferential Issue/Warrant Conversion

During the financial year, the Company has not raised any fund through Public Issue/ Rights Issue/ Preferential Issue/Warrant Conversion.

n) Code of Conduct for prevention of Insider Trading

The Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013.

o) Disclosure of accounting treatment in preparation of Financial Statement

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing Financial Statements



8. OTHER DISCLOSURES

A. Related Party Transaction

All the transactions entered into with Related Parties as defined under Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 during the financial year were in the Ordinary Course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Prior approval of the Audit Committee is obtained for all Related Party Transactions. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Related Party Transactions during the year have been disclosed at notes on financial statements as per the requirement of "Accounting Standards - 18-RelatedPartyDisclosureissuedbyICAI.

The Board has approved a policy for related party transactions which has been uploaded on Company's website www.shreebhavyafabrics.com

B. Management Discussion and Analysis

The Management Discussion and Analysis Report have been given separately in this Annual Report as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

C. Details of non-compliance by the Company

Your Company has complied with all the requirement of regulatory authorities. No penalty/ strictures were imposed on the Company by Stock Exchange/s or SEBI or any statutory authority on any matter related to capital markets.

D. Vigil Mechanism

The Company has implemented a Whistle Blower Policy covering the employees. The Policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or Violation of the Company's code of Conduct. Employees can lodge their Complaints through anonymous e- mails besides usual means of communications like written complaints. No personnel have been denied access to the Audit Committee.

E. Policy on Material Subsidiaries

The Company is not having any subsidiary Company; however, the Company has formulated the Policy for determining 'Material Subsidiaries' which has been put up on the website of the Company.

F. Policy on Related Party Transactions

The Company has formulated the Policy on dealing with Related Party Transactions which has been put upon the website of the Company.

9. Non-Mandatory Requirements

- (a) **The Board:** Since the Company has an Executive Chairman on its Board, there is no requirement for maintaining separate office.
- (b) **Shareholder's Right:** Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company. However quarterly financial results are published in the leading news papers and are also available on the website of the Company.
- (c) **Audit Qualification:** There is no qualification in the Auditor's Report on the Financial Statements to the shareholders of the Company.
- (d) **Separate Post of Chairman and CEO:** Mr. Purushottam R. Agarwal, Chairman and Managing Director of the Company also act as CEO of the Company.
- (e) **Reporting of Internal Auditor:** The Company's Internal Auditor's reports directly to the Audit Committee.

PLACE : AHMEDABAD

DATE : 23.08.2021

For and on behalf of the Board
For, SHREE BHAVYA FABRICS LIMITED

[PURSHOTTAM R. AGARWAL]
Chairman & Managing Director
DIN: 00396869

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

SHREE BHAVYA FABRICS LIMITED has not entered into any contract/ arrangement/ transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2020-21. The Company has laid down policies and procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

(a)	Name(s) of the related party and nature of relationship	: NA
(b)	Nature of contracts/arrangements/transactions	: NA
(c)	Duration of the contracts /arrangements/transactions	: NA
(d)	Salient terms of the contracts or arrangements or transactions including value, if any	: NA
(e)	Justification for entering into such contracts or arrangements or transactions	: NA
(f)	Date(s) of approval by the Board	: NA
(g)	Amount paid as advances, if any	: NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	: NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Anunay Fab Ltd	Balhanuman Fabrics Ltd
Nature of contracts/arrangements/transactions	Sales Purchase	Sales Purchase
Duration of the contracts/arrangements/transactions	1Year	1 Year
Salient terms of the contracts or arrangements or transactions including the value, if any	41.76 Crores	1.31 Crores
Date(s) of approval by the Board, if any	28.08.2020	28.08.2020
Amount paid as advances, if any	NIL	NIL

PLACE : AHMEDABAD

DATE : 23.08.2021

For and on behalf of the Board
For, SHREE BHAVYA FABRICS LIMITED

[PURSHOTTAM R. AGARWAL]
Chairman & Managing Director
DIN: 00396869



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SHREE BHAVYA FABRICS LIMITED
S.No.170, Opp. Advance Petrochem Limited,
Pirana Road, Piplej
Ahmedabad-382405, Gujarat, India

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHREE BHAVYA FABRICS LIMITED** having CIN: **L17119GJ1988PLC011120** and having registered office at S.No.170, Opp. Advance Petrochem Limited, Pirana Road, Piplej, Ahmedabad-382405, Gujarat, India, produced before me by the Company for the purpose of issuing this 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.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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 in Company*
1	Purushottam Radheshyam Agarwal	00396869	04/12/2009
2	Ramniwas Kodaram Pandia	02875168	28/12/2009
3	Vaishali Sureshkumar Soni	07245825	24/07/2015
4	Rameshkumar Parmeshwarilal Agarwal	07706882	13/01/2017
5	Kishan Madanlal Yadav (Appointed As An Executive Director W.E.F 29.09.2020)	02845697	29/09/2020

*the date of appointment is as per the MCA Portal.

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.

Place : Ahmedabad
Date : 23.08.2021
UDIN NO.: F005827C000795165

For, **MUKESH H. SHAH & CO.**
Company Secretaries

MUKESH H. SHAH
PROPRIETOR
FCS NO: 5827 & CP. NO. 2213

**SECRETARIAL AUDIT REPORT**

For the financial year ended March 31, 2021

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

To the Members,
SHREE BHAVYA FABRICS LIMITED
S.No.170, Opp. Advance Petrochem Limited,
Pirana Road, Piplej
Ahmedabad-382405, Gujarat, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shree Bhavya Fabrics Limited (hereinafter called "the Company") Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, generally 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:

I have examined the books, papers, minute books, forms and returns filed and maintained by the Company for the financial year ended on 31st March, 2021 and made available to me according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder as applicable; except following:
As confirmed by management that the Company has accepted deposited by way of unsecured loan from promoters, their relatives and friends in pursuance of a stipulation of the Bank.
- (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);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period);**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable as the Company is not registered as a Registrars to an Issue or Share Transfer Agent during the financial year under review);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period);**



(vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:

- 1) The Environment (Protection) Act, 1986;
- 2) The Factories Act, 1948;
- 3) Employees Provident Funds & Misc. Provisions Act
- 4) Employees State Insurance Act, 1948
- 5) The Air (Prevention and Control of pollution) Act, 1981
- 6) The Water (Prevention and Control of pollution) Act, 1974

I have also examined compliance with the applicable clauses/regulations of the following:

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

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following;

1. Ms. Jyoti Devnani has resigned from the post of Company Secretary Cum Compliance officer (CS) w.e.f 01.10.2020. The Company has not complied with the Regulation 6(1) of SEBI (LODR) Regulations, 2015 for the appointment of Company Secretary during the quarter ended December, 2020. However, the company has appointed Mr. Jagdish Kanzariya as a Compliance Officer w.e.f 09th March, 2021 i.e. late appointment during the quarter ended March, 2021.

I further report that:

- a) The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.
- b) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Directors and Independent Directors. The changes if any 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.
- c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent 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.
- d) All decisions of the Board and Committees were carried with requisite majority.

I 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.

I further report that during the Audit Period under review, there has been Inter se transfer amongst the Promoters and Promoter Group in the following manner:

1. Inter-se Transfer of 17,10,895 (18.01%) shares from Vaibhavlaxmi International Limited to Purushottam Agarwal HUF, being promoters of the Company.
2. Inter-se Transfer of 4,85,600 (5.11%) shares from Balhanuman Fabrics Private Limited to Purushottam Agarwal HUF, being promoters of the Company.
3. Inter-se Transfer of 1,53,900 (1.62%) shares from Anurag Ramavtar Agarwal to Purushottam Agarwal HUF, being promoters of the Company.

Total 23,50,395 (24.74%) shares acquired by Purushottam Agarwal HUF during the year.

Place : Ahmedabad
Date : 23.08.2021
UDIN No.: F005827C000795132

For, MUKESH H. SHAH & CO.
Company Secretaries

MUKESH H. SHAH
PROPRIETOR
CP. NO. 2213 FCS NO.: 5827
Peer Review Certificate No.: 690/2020

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



ANNEXURE- A

To the Members,
SHREE BHAVYA FABRICS LIMITED
S.No.170, Opp. Advance Petrochem Limited,
Pirana Road, Piplej
Ahmedabad-382405, Gujarat, India

My secretarial audit report for the financial year 31st March, 2021 is to be read along with this letter.

Management's Responsibility

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on audit.

Auditor's Responsibility

2. My Responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. I believe that Audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for my opinion.
4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.
6. I have not verified the correctness and appropriateness of financial records and books of account of the company.

Place : Ahmedabad

Date : 23.08.2021

UDIN No.: F005827C000795132

**For, MUKESH H. SHAH & CO.
Company Secretaries**

**MUKESH H. SHAH
PROPRIETOR
CP. NO. 2213 FCS NO.: 5827
Peer Review Certificate No.: 690/2020**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2021.

1. GLOBAL ECONOMIC OUTLOOK

The Global economy has been severely disrupted by the COVID-19 pandemic. The Second wave of COVID-19 has affected the momentum of economic recovery. It has badly hit the economic activities across the countries. The COVID-19 pandemic has reached almost every corner of the world.

Global economy is gradually emerging from one of its deepest recessions, caused by the COVID-19 pandemic in FY20. The strength of economic recovery differs across countries and socio-economic groups, dictated by path of the pandemic, severity of lockdown restrictions and efficacy of the policy support. The International Monetary Fund (IMF) has estimated global economic growth to have contracted by 3.3% in FY20 despite better-than-expected actual performance by key economies in the second half of FY20.

Rising vaccine rollouts, sustained accommodative monetary policies, additional fiscal stimulus by a few large advanced economies (AEs), with positive spillovers expected for the rest of the world and relatively better adaptability of most countries to the recent waves of the virus, have infused optimism that the world will survive the new virulent visits of COVID-19. Emerging market and developing economies are projected to trace diverging recovery paths as it would largely hinge on the speed of vaccination, extent and effectiveness of policy support and country-specific structural factors.

2. INDIAN ECONOMY

Implementation of world's tightest national lockdown brought economic activity to a halt, affecting both production and consumption and resulted into deepest GDP contraction for the country. Growth was negative in the first half of the year and only modestly positive in the second half. While agriculture sector benefited from favourable weather conditions, manufacturing and services sectors were hit hard by containment measures and uncertainty. The country is experiencing a lopsided economic recovery with some sectors performing better than others. However, the scars of the pandemic are deep and the economy is likely to witness stress even if there is a V-shaped recovery.

India adopted a four-pillar strategy of containment, fiscal, financial and long-term structural reforms. During the year, government announced various stimulus packages and production linked incentive schemes to generate job opportunities and also provide liquidity support to various sectors. In response to the COVID-19 shock, the government and RBI took several monetary and fiscal policy measures to support weak firms and households, expand service delivery (with increased spending on health and social protection) and headrest the impact of the crisis on the economy. As a result of these measures, the economy is expected to get a breathing it required. Growth during next year may be better, with a strong base effect materializing in FY22, and is expected to stabilize at around 6-6.5 percent thereafter. The second wave of the pandemic has however brought in another level of uncertainty.

India's economy is likely to grow by 10-11 per cent in 2021 following a 7.1 per cent contraction last year. As per Economic Survey 2020-21, India's real GDP growth for FY22 is projected at 11%. The January 2021 WEO update forecast a 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy. However, the economy is still struggling to return to the activity levels prevailing before COVID-19 and available indicators send conflicting signals. Although confidence will return, the scars to the economy and society are lingering and it may take a couple of years for GDP to get back to pre-pandemic levels.

3. INDUSTRY STRUCTURE, DEVELOPMENT

The Indian textile industry is one of the largest in the world with a large unmatched raw material base and manufacturing strength across the value chain. It is the 2nd largest producer of MMF Fibre after China. India is the 6th largest exporter of Textiles & Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy. India has a share of 5% of the global trade in textiles and apparel. The uniqueness of the industry lies in its strength both in the hand-woven sector as well as in the capital intensive mill sector.

The Indian economy contracted by 7% during the financial year ending March 2021. The economy which had fell off the cliff in Q1, started to show V-shaped recovery primarily powered by government expenditure and exports.



15+% contraction in the first half was offset by 3% growth in the second half. Consumer demand also showed spikes in limited pockets in specific time windows. Overall, the Indian apparel market is estimated to have declined by 27% during 2020.

The textile and clothing sector is very important for the Indian economy. It contributes 2.3% to the GDP of India, 13% to industrial production and 12% to export earnings. The industry is however passing through difficult times for last few years in terms of stagnant volumes, rising competition and cost pressures. The year gone by was unique on account of the covid pandemic, which worsened the already challenging situation of the industry. Most of the economic activities suffered a severe setback and the textile and apparel industry was no exception. Impact of the lockdowns on supply chains, muted consumer demand and cancelled orders had significant impact on total production volumes during the year. Entire value chain was affected by disruption in logistics, labour supply, working capital constraints and such other factors. International and domestic buyers cancelled and/or suspended their orders adding to the woes of the industry.

4. REVIEW & FUTURE OUTLOOK OF THE COMPANY

The Company's operational performance has taken a hit during the year primarily on account of adverse circumstances caused by the pandemic. The Covid-19 pandemic has resulted into unprecedented social and economic upheaval and impacted the business cycles severely. First quarter of the year was almost under lockdown and it took more than one more quarter for the company to come closer to normal level of operations. The resultant scenario had a long-lasting impact on the behaviour of customers in varied terms including delayed lifting of goods, asking for heavy discounts, delayed payments, postponing new order placements, etc which required the company to take a very cautious stand in future dealings. In order to partly mitigate the adverse impact of changed circumstances, the company also aggressively pursued tighter cost control strategies and achieved good results on that front.

The Company is continuously trying to accomplish the desired results. Steps have been taken for cost diminution and manufacturing quality products by various installed machineries of the Company. Various aspects of working conditions of workers, health related issues, minimizing risk of accidents at work place etc. are being taken care of by the Company. The Company will achieve more turnovers by various marketing strategies, offering more quality products, launching new products etc. in coming years followed by increase in profit margin by way of various cost cutting techniques and optimum utilization of various resources of the Company. The company has found export opportunities for the same line of textile products which they were doing Job work presently. Till yet company was involved in Job work but now with the view of export opportunities, company taken the lead towards the export in simultaneous with Job Work.

5. OPPORTUNITIES & THREATS:

Business scenario is undergoing a major change during recent times and company is better equipped to use it to its advantage. The Government is committed to encourage the healthy growth of Capital Market for development of the Economy. While the government seems committed to reforms to address the challenges, political compromises and high populist spending in an election year will mean that tough decisions are more likely to be deferred. However, steps by RBI to stabilize the exchange rate by reducing liquidity support to the banking system will create a challenging environment for investments. Uncertainties posed by the current business environment are likely to be crucial for the business operations.

Liquidity management and financial soundness of business partners will be of high importance. A constant vigil and higher validations will need to be put in place for better risk management.

6. SEGMENT-WISE PERFORMANCE:

The Company's main business activity is textile and its related activities which fall under single reportable segment i.e. 'Textiles'. The Company has majorly focused on quality and production.

7. OUTLOOK:

The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

8. RISK & CONCERNS:

The Company is exposed to specific risks that are particular to its business, including interest rate volatility, economic cycle, market risk and credit risk. The management continuously assesses the risks and monitors the business and risk management policies to minimize the risk.



9. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Company's operating and business control procedures ensure efficient use of resources and comply with the procedures and regulatory requirements. There are adequate internal controls to safeguard the assets and protect them against losses from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The Audit Committee periodically reviews the internal controls systems and reports their observations to the Board of Directors. The Directors have appointed M/s. Kamal M. Shah & Co, Chartered Accountants as the Internal Auditors of the Company for the FY 2021-22.

10. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year, the Company has recorded a turnover of Rs. 14534.54 Lakhs as compared to Rs. 20286.44 Lakhs in the previous year. The Company has made net profit of Rs. 3.37 Lakhs as compared to Rs. 87.25 Lakhs of the previous year after providing depreciation, tax, etc. for the year ended 31st March, 2021.

11. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR:

Debtors	Turnover
2020-21	1.98
2019-20	2.40

Interest	Coverage Ratio
2020-21	1.02
2019-20	1.15

Current	Ratio
2020-21	1.56
2019-20	1.41

Debt Equity	Ratio
2020-21	4.12
2019-20	4.06

Return on	Net Worth
2020-21	0.001%
2019-20	0.03%

Inventory Turnover	Ratio
2020-21	2.59
2019-20	4.70

12. HUMAN RESOURCE DEVELOPMENT:

Human resources have always remained one of the most important assets and a key variable in achieving operational performance. Company continues to provide them with a safe and comfortable working environment. During the difficult pandemic times, the company has taken numerous precautions to protect its staff and workers. The Company believes that the human resources are vital in giving the Company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition / dissemination, creativity and responsibility.

The Company continues to run an in-house training program held at regular intervals and aimed at updating their knowledge about issues.

13. CAUTIONERY STATEMENT:

Statements in the Board's Report and the management discussion and analysis containing the objectives, expectations or predictions of the company may be forward-looking within the meaning of securities laws and regulations. Actual results may differ materially from those expressed in the statement. The operations of the Company could be influenced by various factors such as domestic and global demand and supply conditions affecting sales volumes and selling prices of finished goods, input availability and cost, government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

PLACE : AHMEDABAD
DATE : 23.08.2021

For and on behalf of the Board
For, SHREE BHAVYA FABRICS LIMITED

[PURSHOTTAM R. AGARWAL]
Chairman & Managing Director
DIN: 00396869



CERTIFICATION BY CEO AND CFO OF THE COMPANY

We, Purshottam R. Agarwal, Chairman & Managing Director and Mr. Kishan M. Yadav, Chief Financial Officer responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the financial year ended 31st March, 2021 to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statements or omit any material facts 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 existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2020-21, which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and /or proposed to be taken to rectify these deficiencies.
- d)
 - i) Significant changes in internal control over financial reporting during the year.
 - ii) Significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

[PURSHOTTAM R. AGARWAL]
Chairman & Managing Director

[KISHAN M. YADAV]
Chief Financial Officer

Place : Ahmedabad
Date : 23.08.2021



PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of,

Shree Bhavya Fabrics Limited

We have examined the compliance of conditions of Corporate Governance by Shree Bhavya Fabrics Limited ("the Company") for the year ended on 31st March, 2021, as stipulated in chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with 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 as specified in chapter IV of the Listing Regulations.

We further state that such compliance 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, MUKESH H. SHAH & CO.

Company Secretaries

CP. NO. 2213 FCS NO.: 5827

MUKESH H. SHAH

PROPRIETOR

PLACE : AHMEDABAD

DATE : 23.08.2021

UDIN NO: F005827C000871670



Independent Auditors' Report

To the Members of
M/S. SHREE BHAVYA FABRICS LIMITED

Report on the Standalone Financial Statements

Opinion

I have audited the accompanying standalone financial statements of **M/S. SHREE BHAVYA FABRICS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In my opinion and to the best of my information and according to the explanations given to me, 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide separate opinion on these matters.

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 Board's Report and Corporate Governance Report, but does not include Standalone Financial Statements and my auditor's report thereon.
- My opinion on the Standalone Financial Statements does not cover the other information and I do not express any form of assurance conclusion thereon.
- In connection with my audit of the Standalone Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.
- If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Statement

This Statement has been prepared on the basis of the annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. 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 are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statement

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is included in **Annexure A**. This description forms part of my auditor's report.

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, I give in the **Annexure B**, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, I report that:
 - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and the cash flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
 - e) On the basis of 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; and
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "**Annexure C**". My 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 my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the 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, in my opinion and to the best of my information and according to the explanations given to me:
- i) The Company does not have any pending litigations for which provision have not been made which would impact its financial position.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iii) The Provisions of transfer of funds to Investor Education and Protection Fund not applicable to the Company.

**For, Abhishek Kumar & Associates
Chartered Accountants
Reg. No. 130052W**

**Place : Ahmedabad
Date : 30/06/2021**

**[CA. Abhishek Kumar]
Proprietor M. No.: 132305
UDIN: 21132305AAAAGQ6371**



Annexure “A” to the Independent Auditor’s Report

Responsibilities for Audit of Financial Statement

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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, I am also responsible for expressing my opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For, Abhishek Kumar & Associates
Chartered Accountants
Reg. No. 130052W

Place : Ahmedabad
Date : 30/06/2021

[CA. Abhishek Kumar]
Proprietor M. No.: 132305
UDIN: 21132305AAAAGQ6371

**Annexure “B” to the Independent Auditor’s Report**

The Annexure referred to in my Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31 March 2021, I report that;

- (i) In respect of Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per the information and explanations given to me, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of Inventory:
 - (a) As explained to me, inventories have been physically verified during the year by the management at reasonable intervals. In my opinion, the frequency of verification is reasonable. As informed to me there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.
- (iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained u/s. 189 of the Companies Act, 2013:
 - (a) During the year under audit, the Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence clause 3 (iii) (a), (iii) (b) and (iii) (c) of the Companies (Auditor’s Report) Order, 2021 are not applicable.
- iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) According to the information and explanation given to me, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.
- vi) The central government has prescribed maintenance of cost records under section 148(1)(d) of the companies act 2013 in respect of certain manufacturing activities of the company. Company has obtained cost audit report for the financial year 2019-20 during the year. I have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. I have not, however carried out detailed examination of the same.
- vii) (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Goods & Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to me, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31st March 2021 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us there are no material dues of Income Tax, Wealth Tax, Sales Tax, Goods and Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of dues to financial institutions or banks. As there are no debentures, the question of repayment does not arise.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt



instruments) and in my opinion and according to the information and explanations given to me, the Term loans have been applied for the purpose for which they were obtained.

- (x) According to the information and explanation given to me, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of my audit.
- (xi) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to me and based on my examination of the records of the Company, 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 me and based on my examination of the records of the Company, the Company has not made preferential allotment/private placement of shares during the year.
- (xv) According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, Abhishek Kumar & Associates
Chartered Accountants
Reg. No. 130052W

Place : Ahmedabad
Date : 30/06/2021

[CA. Abhishek Kumar]
Proprietor M. No.: 132305
UDIN: 21132305AAAAGQ6371

Annexure “C” to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

I have audited the internal financial controls over financial reporting of **M/S. SHREE BHAVYA FABRICS LIMITED** (“the Company”), as of 31 March, 2021, in conjunction with my audit of the standalone financial statements of the Company for the year ended 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 controls 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 responsibility include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

My responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over



Financial Reporting (the 'Guidance Note') and the Standards of Accounting, 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, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls 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 authorizations of the 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 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 my 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 31 March 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.

For, Abhishek Kumar & Associates
Chartered Accountants
Reg. No. 130052W

Place : Ahmedabad
Date : 30/06/2021

[CA. Abhishek Kumar]
Proprietor M. No.: 132305
UDIN: 21132305AAAAGQ6371



SHREE BHAVYA FABRICS LIMITED
Standalone Balance Sheet as at March 31, 2021

(Amount in INR)

Particulars	Notes	As at 31 March, 2021	As at 31 March, 2020
ASSETS :			
Non-current assets			
Property, Plant and Equipment	4	74,531,922	81,057,680
Capital work-in-progress		-	-
Other intangible assets	5A	26,092,049	31,011,292
Financial assets			
(i) Loans	6	10,274,382	12,976,836
Total non-current assets		110,898,353	125,045,808
Current assets			
Inventories	7	614,088,071	502,610,118
Financial assets			
(i) Trade receivables	8	695,987,428	775,884,872
(ii) Cash and cash equivalents	9	21,404,802	21,104,984
Other current assets	10	34,713,874	30,838,856
Current tax Assets (Net)	11	10,950,030	13,309,535
Total current assets		1,377,144,204	1,343,748,365
TOTAL ASSETS		1,488,042,557	1,468,794,173
EQUITY AND LIABILITIES :			
Equity			
Equity share capital	12	95,000,000	95,000,000
Other equity	13	195,398,243	195,061,740
Total equity		290,398,243	290,061,740
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	298,052,827	223,280,854
Other non-current liabilities	15	15,000,000	15,000,000
Deferred tax Assets (Net)	16	1,037,654	655,327
Total non-current liabilities		314,090,481	238,936,181
Current liabilities			
Financial liabilities			
(i) Borrowings	17	346,636,482	347,673,330
(ii) Trade payables	18		
Total outstanding dues of micro enterprise and small enterprises		88,364,721	9,508,529
Total outstanding dues of creditors other than micro enterprises and small enterprises		170,151,153	313,776,192
(iii) Other financial liabilities	19	13,944,236	26,529,576
Other current liabilities	20	259,394,022	236,426,220
Provisions	21	5,063,219	5,882,405
Total current liabilities		883,553,833	939,796,252
Total liabilities		1,197,644,314	1,178,732,433
TOTAL EQUITY AND LIABILITIES		1,488,042,557	1,468,794,173

See accompanying Notes 1 to 41 forming part of financial statements

In terms of my report attached
For Abhishek Kumar & Associates
Chartered Accountants
Firm Regn. No. 130052W

(CA. Abhishek Kumar Agarwal)
Proprietor
M. No. 132305
Place : Ahmedabad
Dated : 30-06-2021

For and on behalf of the Board of Directors
SHREE BHAVYA FABRICS LIMITED

Purshottam R. Agarwal
(Managing Director)
(DIN-00396869)
Kishan Yadav
(Chief Financial Officer)

Ramniwas Pandia
(Director)
(DIN-02875168)
Jagdish Kanzariya
(Companies Secretary)



SHREE BHAVYA FABRICS LIMITED
Standalone Statement of Profit and Loss for the year ended March 31, 2021

(Amount in INR)

Particulars	Notes	For the year ended 31 March, 2021	For the year ended 31 March, 2020
I Revenue from operations	22	1,448,216,981	2,025,189,128
II Other income	23	5,237,356	3,443,432
III Total Income (I + II)		1,453,454,337	2,028,632,560
Expenses:			
Cost of materials consumed	24	894,353,998	1,404,205,295
Purchases of stock-in-trade	25	43,730,362	21,141,950
Changes in inventories of finished goods and work-in-progress	26	(91,458,069)	(106,781,101)
Employee benefits expense	27	45,424,819	52,660,537
Finance costs	28	77,617,037	89,678,598
Depreciation and amortisation expense	5B	6,203,240	18,407,338
Other expenses	29	465,787,187	537,277,382
IV Total expenses		1,451,658,574	2,016,589,999
V Profit before exceptional items and tax (III- IV)		1,795,763	12,042,561
VI Tax expense:	37		
a) Current tax		680,000	2,450,000
b) Short provision for tax of earlier years		396,933	206,263
c) Deferred tax (credit)/charge		382,327	672,106
		1,459,260	3,328,369
VII Profit after tax (V-VI)		336,503	8,714,192
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurment of the defined benefit plans		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
VIII Total Other Comprehensive Income (A +B)		-	-
IX Total Comprehensive Income for the year (VII + VIII)		336,503	8,714,192
X Earnings per equity share			
Basic and Diluted (in Rs) (Face Value of Rs. 10/- each)	30	0.04	0.92

See accompanying Notes 1 to 41 forming part of financial statements

In terms of my report attached
For Abhishek Kumar & Associates
Chartered Accountants
Firm Regn. No. 130052W

(CA. Abhishek Kumar Agarwal)
Proprietor
M. No. 132305

Place : Ahmedabad
Dated : 30-06-2021

For and on behalf of the Board of Directors
SHREE BHAVYA FABRICS LIMITED

Purshottam R. Agarwal
(Managing Director)
(DIN-00396869)

Kishan Yadav
(Chief Financial Officer)

Ramniwas Pandia
(Director)
(DIN-02875168)

Jagdish Kanzariya
(Companies Secretary)



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2021

PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A. NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	1,795,763	12,042,561
ADJUSTMENT FOR:		
DEPRECIATION	16,203,240	18,407,338
INTEREST RECEIVED	(961,732)	(1,730,259)
PROFIT ON SALE OF FIXED ASSETS	-	(121,576)
DIVIDEND RECEIVED		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	17,037,271	28,598,064
TRADE AND OTHER RECEIVABLE	79,897,444	149,737,974
INCREASE IN FINANCIAL ASSETS	2,702,454	(446,684)
OTHER CURRENT ASSETS	(1,515,513)	(4,131,254)
INCREASE/DECREASE IN OTHER CURRENT ASSETS	-	-
INVENTORIES	(111,477,953)	(136,465,074)
LOANS AND ADVANCES	-	-
TRADE PAYABLES	(64,768,847)	(33,166,399)
INCREASE IN OTHER FINANCIAL LIABILITIES	-	-
OTHER CURRENT LIABILITIES	22,967,802	9,755,949
DECREASE IN SHORT TERM PROVISIONS	(819,186)	841,684
OTHER	-	(672,106)
CASH IN FLOW FROM OPERATIONS	(55,976,528)	14,052,154
CASH IN FLOW BEFORE EXTRAORDINARY ITEMS	(55,976,528)	14,052,154
DIRECT TAX PAID	(107,693)	(6,370,144)
NET CASH IN FLOW FROM OPERATING ACTIVITIES	(57,053,461)	7,682,010
B. CASH OUT FLOW FROM INVESTING ACTIVITIES:		
SALE OF FIXED ASSETS	-	1,083,500
INTEREST RECEIVED	961,732	1,730,259
PURCHASES OF FIXED ASSETS	(4,758,239)	(4,610,885)
NET CASH OUT FLOW FROM INVESTING ACTIVITIES	(3,796,507)	(1,797,126)
C. CASH IN FLOW FROM FINANCING ACTIVITIES:		
PROCEEDS FROM LONG TERM BORROWING	62,186,633	(15,243,392)
REPAYMENT OF LONG TERM BORROWING	-	-
INCREASE IN SHORT TERM BORROWING	(1,036,848)	9,632,509
NET CASH IN FLOW FROM FINANCING ACTIVITIES	61,149,785	(5,610,883)
NET INCREASE IN CASH AND CASH EQUIVALENT	299,817	274,001
NET CASH AND CASH EQUIVALENT (OPENING CASH BALANCE)	21,104,984	20,175,657
NET CASH AND CASH EQUIVALENT (CLOSING CASH BALANCE)	21,404,802	21,104,984
COMPONENT OF CASH AND CASH EQUIVALENT		
CASH ON HAND	629,232	730,710
BALANCES WITH BANK		
CURRENT AND DEPOSIT ACCOUNTS	20,775,570	20,374,275
TOTAL	21,404,802	21,104,985



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31-03-2021
(Contd....)

ii) Reconciliation of liabilities arising from financing activities

As at March 31, 2021	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Long term Borrowings (Incl. Current maturity)	249,810,430	62,186,633	-	311,997,063
Short term Borrowings	347,673,330	-1,036,848	-	346,636,482
Total liabilities from financing activities	597,483,760	61,149,785	-	658,633,545

As at March 31, 2020	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Long term Borrowings (Incl. Current maturity)	265,053,822	-15,243,392	-	249,810,430
Short term Borrowings	338,040,821	9,632,509	-	347,673,330
Total liabilities from financing activities	603,094,643	-5,610,883	-	597,483,760

iii) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

In terms of my report attached
For Abhishek Kumar & Associates
Chartered Accountants
Firm Regn. No. 130052W

(CA. Abhishek Kumar Agarwal)

Proprietor
M. No. 132305

Place : Ahmedabad
Dated : 30-06-2021

For and on behalf of the Board of Directors
SHREE BHAVYA FABRICS LIMITED

Purshottam R. Agarwal
(Managing Director)
(DIN-00396869)

Kishan Yadav
(Chief Financial Officer)

Ramniwas Pandia
(Director)
(DIN-02875168)

Jagdish Kanzariya
(Companies Secretary)



Standalone Statement of changes in equity for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(Amount in INR)

Particular	Total
Balance as at March 31, 2019	95,000,000
Changes in Equity Share Capital during the year 2018-19	-
Balance as at March 31, 2020	95,000,000
Changes in Equity Share Capital during the year 2019-20	-
Balance as at March 31, 2021	95,000,000

B. OTHER EQUITY

(Amount in INR)

Particulars	Reserves and Surplus			Total
	Securities premium reserve	Capital Reserve	Retained earnings	
Balance as at March 31, 2019	17,366,500	6,109,750	162,871,298	186,347,548
Profit for the year	-	-	8,714,192	8,714,192
Other comprehensive income for the year, net of income tax	-	-	-	-
Total Other Comprehensive Income (A +B)	-	-	8,714,192	8,714,192
Transfer to reserves	-	-	-	-
Balance as at March 31, 2020	17,366,500	6,109,750	171,585,490	195,061,740
Profit for the year	-	-	336,503	336,503
Other comprehensive income for the year, net of income tax	-	-	-	-
Total Other Comprehensive Income (A +B)	-	-	336,503	336,503
Transfer to reserves	-	-	-	-
Balance as at March 31, 2021	17,366,500	6,109,750	171,921,993	195,398,243

In terms of my report attached
For Abhishek Kumar & Associates
Chartered Accountants
Firm Regn. No. 130052W

(CA. Abhishek Kumar Agarwal)
Proprietor
M. No. 132305

Place : Ahmedabad
Dated : 30-06-2021

For and on behalf of the Board of Directors
SHREE BHAVYA FABRICS LIMITED

Purshottam R. Agarwal
(Managing Director)
(DIN-00396869)

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Jagdish Kanzariya
(Companies Secretary)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31stMARCH, 2021****1. General Information**

Shree Bhavya Fabrics Limited (“the Company”) incorporated in 1988 in India. The principal activity of the Company is to be in the business of textile. The Company has manufacturing facilities in India. The company manufactures textile products. The registered office is at 252, New Cloth Market O/s Raipur Gate, Ahmedabad, Gujarat. The factory address of Company is SURVEY NO. 170 OPP.ADVANCE PETROCHEM LIMITED, PIRANA ROAD, PIPLEJ AHMEDABAD GJ 382405 IN

2. Significant Accounting policies**I. Statement of compliance**

The Standalone Ind AS financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Act (as amended from time to time). These financial statements have been prepared on accrual basis of accounting using historical cost convention except certain financial instruments measured at fair value.

These Standalone Ind AS financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

II. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

III. Significant accounting policies**A. Revenue recognition**

Revenue from contract with customers Revenue from contracts with customers is recognized upon transfer of control of promised goods/ products to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ products. To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenues when a performance obligation is satisfied.



1. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes excise duty and excludes value added tax/ sales tax/goods and service tax.

2. Sale of goods – non-cash incentive schemes (deferred revenue)

The company operates a non-cash incentive scheme programme where dealers / agents are entitled to non-cash incentives on achievement of sales targets. Revenue related to the non-cash schemes is deferred and recognized when the targets are achieved. The amount of revenue is based on the realization of the sales targets to the period of scheme defined.

3. Interest income

For all financial instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

4. Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

B. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

C. Government Grants

Government grants are only recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

- When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- Where the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below market rate of interest, the effect of this favorable interest is treated as a government grant. The loan or assistance is initially recognized and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

D. Export Benefits

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustments in raw material consumption.

E. Taxes

1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from



or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- i. deductible temporary differences;
- ii. the carry forward of unused tax losses; and
- iii. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly 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.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized an asset in accordance with recommendations contained in Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to an extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

F. Leases

Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1) Right-of-use assets

- The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of- use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold buildings 8 to 10 years
- Leasehold Land 75 to 80 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

2) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

3) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

G. Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling,



excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- i. The date of the plan amendment or curtailment, and
- ii. The date that the company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii. Net interest expense or income

1. Long-term employee benefits

Post-employment and other employee benefits are recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

2. Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid.

H. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of spare parts that meets the definition of 'property, plant and equipment' is recognized as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.



Depreciation methods, estimated useful lives and residual value

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

Assets	Estimated useful life
Lease hold land	Lease term (99 years)
Buildings	30 to 60 years
Plant and machinery	10 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years

Depreciation on fixed assets has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the companies Act, 2013.

Depreciation on additions is calculated on pro rata basis with reference to the date of addition.

Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

I. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measure reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

J. Intangibles

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

K. Inventories

Inventories are valued at the lower of cost and net realizable value.

1. Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined based on specific identification.
2. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on lower of cost or net realizable value.
3. Stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. An item of



spare parts that does not meet the definition of 'property, plant and equipment' has to be recognized as a part of inventories.

4. Fuel: cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

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

L. Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

M. Financial Instruments

• Financial assets

i. 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Debt instruments at amortized cost
- b. Debt instruments at fair value through other comprehensive income (FVTOCI)
- c. Financial assets at fair value through profit or loss (FVTPL)
- d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

v. Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.



In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vi. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vii. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) the company has transferred substantially all the risks and rewards of the asset, or
 - b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

viii. Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

- a. Financial assets measured at amortized cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).



The company follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables or contract revenue receivables; and

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

ix. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

• **Financial liabilities**

i. Initial recognition and measurement

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

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- a. Financial liabilities at fair value through profit or loss
- b. Loans and borrowings
- c. Financial guarantee contracts



iii. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

iv. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

v. De recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

- **Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

N. Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

- i. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii. In case of cash-generating unit (a company of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are



taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

O. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

P. Segment accounting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The Company is primarily engaged in the business of manufacturing, distribution and marketing of textile product. These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute single business segment.

Q. Provisions, Contingent liabilities, Contingent assets and Commitments General

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.



Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

R. Dividend

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The interim dividends declared during the year are approved by the Board of Directors.

S. Earnings per share

Basic earnings per share are 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. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable were based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

T. Use of estimates and judgements

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Current tax
- Fair valuation of unlisted securities

U. Statement of cash flows

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts



or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the company are segregated.

V. Current and non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

W. Foreign currency translation

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

X. Fair value measurement

The company measures financial instruments, such as, derivatives 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:

- i. In the principal market for the asset or liability, or
- ii. 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.

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:

- i. **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
- ii. **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, 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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- i. Disclosures for valuation methods, significant estimates and assumptions.
- ii. Quantitative disclosures of fair value measurement hierarchy.



- iii. Investment in unquoted equity shares (discontinued operations).
- iv. Financial instruments (including those carried at amortized cost).

Y. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

Z. On March 24, 2021, the MCA through a notification, amended Schedule III of the Companies Act, 2013. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.
- Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.
- Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

These amendments are applicable from April 1, 2021. The Company is currently evaluating the impact of these amendments on the standalone financial statements.

Z. Impact of Covid-19 on the business of the companies

As a result of lockdown lock down policies, restriction on business activities and business shutdowns, the volumes of the current financial year is impacted. Revenue from operation in absolute term have decreased due to COVID-19 related market volatility. Therefore, financial results for the year ended 31st March, 2021 are not comparable to previous corresponding period results. Further, the management believes that the impact of this outbreak on the business and financial position of the Company will not be significant. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Place : Ahmedabad
Date : 30/06/2021

In terms of our report attached
For, Abhishekkumar & Associates
Chartered Accountants
Firm Regn. No. 130052W

(CA. Abhishek Kumar Agarwal)
Proprietor
M. No.: 132305



Notes forming part of the standalone financial statements

(Amount in INR)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Building	Computer	Furniture & Fixure	Plant and Machinery	Vehicles	Total
Cost or deemed cost						
Balance as at March 31, 2019	85,920,750	4,269,871	12,202,446	372,905,426	34,245,076	509,543,569
Additions	1,321,800	139,733	710,422	848,915	785,205	3,806,075
Disposals						
Balance as at March 31, 2020	87,242,550	4,409,604	12,912,868	372,815,841	34,533,366	511,914,229
Additions		17,373	574,442	3,565,593	600,831	4,758,239
Disposals						-
Balance as at March 31, 2021	87,242,550	4,426,977	13,487,310	376,381,434	35,134,197	516,672,468
Accumulated depreciation and impairment						
Balance as at March 31, 2019	57,513,894	3,886,617	9,866,430	316,527,868	30,206,203	418,001,012
Depreciation charge for the year	2,700,596	212,750	649,487	8,792,809	973,386	13,329,028
Disposals	-	-	-	-	473,491	473,491
Balance as at March 31, 2020	60,214,490	4,099,367	10,515,917	325,320,677	30,706,098	430,856,549
Depreciation charge for the year	2,534,074	104,287	583,081	7,237,410	825,145	11,283,997
Disposals	-	-	-	-	473,491	473,491
Balance as at March 31, 2021	62,748,564	4,203,654	11,098,998	332,558,087	31,531,243	442,140,546
Net book value						
At March 31, 2019	28,406,856	383,254	2,336,016	56,377,558	4,038,873	91,542,557
At March 31, 2020	27,028,060	310,237	2,396,951	47,495,164	3,827,268	81,057,680
At March 31, 2021	24,493,986	223,323	2,388,312	43,823,347	3,602,954	74,531,922

Notes:

- (i) The Company evaluates impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired, the impairment loss is then recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there are separately identifiable cash flows.

The Management has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.

- (ii) Property, plant and equipment of the Company have been mortgage / pledged to secure loan borrowings from Banks (Refer Note No. 14)



Notes forming part of the standalone financial statements

5A OTHER INTANGIBLE ASSETS

(Amount in INR)

Particulars	Pipe Line	Total
Balance as at March 31, 2019	50,018,533	50,018,533
Additions	804,810	804,810
Balance as at March 31, 2020	50,823,343	50,823,343
Additions	-	-
Balance as at March 31, 2021	50,823,343	50,823,343
Accumulated amortisation and impairment		
Balance as at April 1, 2016	4,774,766	4,774,766
Balance as at March 31 2018	9,731,888	9,731,888
Balance as at March 31 2019	14,733,741	14,733,741
Amortisation expense	5,078,310	5,078,310
Balance as at March 31 2020	19,812,051	19,812,051
Amortisation expense	4,919,243	4,919,243
Balance as at March 31 2021	24,731,294	24,731,294
Net book value		
As at March 31, 2019	35,284,792	35,284,792
As at March 31, 2020	31,011,292	31,011,292
As at March 31, 2021	26,092,049	26,092,049

5B. DEPRECIATION & AMORTISSATION EXPENSE

(Amount in INR)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation and amortisation for the year ended on property, plant and equipment as per Note 4	11,283,997	13,329,028
Depreciation and amortisation for the year on Other intangible assets as per Note 5A	4,919,243	5,078,310
Total	16203240	18,407,338

6. LOANS (UNECURED, CONSIDERED GOOD)

(Amount in INR)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	6,078,584	6,078,584
Fixed Deposits held as Security by Govt. Departments & Other Authorities	4,195,798	6,898,252
Total	10,274,382	12,976,836



Notes forming part of the standalone financial statements

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
7. INVENTORIES		
(At lower of cost and net realisable value)		
Finished Goods	333,098,920	264,155,601
Work in Progress Own	129,772,719	113,629,242
Work in Progress Job	11,690,377	5,319,104
Raw Material	104,506,792	83,899,774
Colour Chemicals	20,357,413	18,326,355
Packing Materials	305,750	305,270
Coal & Fire Wood	1,820,340	2,021,255
Stores & Spares	12,535,760	14,953,517
Total	614,088,071	502,610,118

8. TRADE RECEIVABLES

Unsecured, considered good		
- From Related Party	106,406,546	22,985,616
- From Others	590,209,765	752,966,989
Less: Allowance for Expected Credit losses	-628,883	-67,733
Total	695,987,428	775,884,872

NOTE-1: The average credit period on sales of goods is 0 to 180 days. Credit Risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 10% of the total balance of trade receivables.

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
Age of receivables		
< 180 days	555,433,825	658,082,789
More than 180 days	141,182,486	117,869,816
Total	696,616,311	775,952,605

Movement in the expected credit loss allowance on trade receivable

(Amount in INR)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at beginning of the year	67,733	-
Loss allowance calculated at lifetime expected credit losses	628,883	67,733
Balance at the end of the year	696,616	67,733



Notes forming part of the standalone financial statements

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
9. CASH AND CASH EQUIVALENTS		
(a) Cash on hand	629,232	730,710
(b) Balances and Margin money with banks	20,775,570	20,374,275
Total	21,404,802	21,104,985

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
10 OTHER CURRENT ASSETS		
Unsecured, considered good, unless otherwise stated		
(a) Advances recoverable in cash or in kind		
Considered good	12,858,237	11,802,465
Considered doubtful	-	-
Less: Provision for doubtful advances	-	-
	12,858,237	11,802,465
(b) Prepaid expenses	634,478	955,571
(c) Balances with government authorities	20,963,768	17,743,320
(d) Other Loan & Advances	257,391	337,500
Total	34,713,874	30,838,856

11 CURRENT TAX LIABILITIES (NET OF ADVANCE TAX AND TDS)

TDS & TCS Deducted by Party	11630030	10,859,535
Less: Provisions for tax	(680,000)	(2,450,000)
Total	10,950,030	13,309,535

(Amount in INR)

Particulars	as at March 31, 2021	as at March 31, 2020
12. EQUITY SHARE CAPITAL		
Authorised share capital		
1,00,00,000 (PY 1,00,00,000) Equity Shares of Rs.10/- each with voting rights	100,000,000	100,000,000
Total	100,000,000	100,000,000
Issued capital		
95,00,000 (PY: 95,00,000) Equity Shares of Rs. 10/- each with voting rights	95,000,000	95,000,000
Total	95,000,000	95,000,000
Subscribed and fully paid up		
95,00,000 (PY: 95,00,000) Equity Shares of Rs. 10/- each with voting rights	95,000,000	95,000,000
Total	95,000,000	95,000,000



Notes forming part of the standalone financial statements

(Amount in INR)

Particulars	as at March 31, 2021	as at March 31, 2020
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12. EQUITY SHARE CAPITAL (CONTD.....)

Notes :

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	Shares Issued During the Year	Closing Balance
Equity Shares			
Year ended March 31, 2021			
- Number of shares	9,500,000	-	9,500,000
- Amount (Amount in INR)	95,000,000	-	95,000,000
Year ended March 31, 2020			
- Number of shares	9,500,000	-	9,500,000
- Amount (Amount in INR)	95,000,000	-	95,000,000
Year ended March 31, 2019			
- Number of shares	9,500,000	-	9,500,000
- Amount (Amount in INR)	95,000,000	-	95,000,000

(ii) Terms/ Rights attached to equity shares

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

The dividend has not been declared during the year by the Company.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) The Company doesnot have any holding Company.**(iv) Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:**

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares fully paid up				
Purshottam R. Agarwal	1,949,530	20.52	1,949,530	20.52
Purshottam R. Agarwal HUF	2,350,395	24.74	-	-
Vaibhavlaxmi Internation Limited (earlier known as G-2 International Export Limited.)	-	-	1,710,895	18.01
Balhanuman Fabrics Private. Limited.	-	-	485,600	5.11

As per records of the company, including its register of share holders/members and other declaration received from the share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.



Notes forming part of the standalone financial statements

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
13 OTHER EQUITY		
Refer Statement of Changes in Equity for detailed movement in Equity Balance:		
A. Summary of Other Equity Balance		
Opening Balance	171,585,490	162,871,298
Add: Profit for the year	336,503	8,714,192
	171,921,993	171,585,490
Total	195,398,243	195,061,739.87

B. Nature and purpose of reserves:**(i) Securities premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(ii) Capital Reserve

The reserve is utilised in accordance with the provisions of the Act.

(iii) Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
14. BORROWINGS (Non Current)		
Secured - at amortised cost:		
(a) Working Capital Term Loan from BOI (GECL)	30,400,000	-
(b) Working Capital Term Loan from Chartered Bank (GECL)	39,376,028	-
(c) Term Loan from Standard Chartered Bank (refer note - (i) below)	194,491,777	197,256,709
Less: Current Maturities (Refer Note 17(a))	13,944,236	26,529,576
Total	250,323,569	170,727,133
Unsecured - at amortised cost:		
(a) Loans from others	47,729,258	52,553,721
Total	298,052,827	223,280,854

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
15. OTHER NON CURRENT LIABILITIES		
Payable for Capital goods	15,000,000	15,000,000
Total	15,000,000	15,000,000

NOTES:

Working Capital Term loan from BOI (GECL), balance outstanding amounting to Rs. 304.00 Lacs (previous year Rs. Nil) is secured against the Current Assets, Plant & Machinery and Factory Building of the company and personal guarantee of the managing director and his relatives. The said loan is repayable in 36 monthly instalments starting from August 2021 and last instalment due in July 2024. Rate of interest 7.50% per annum.

Working Capital Term loan from Standard Chartered Bank (GECL), balance outstanding amounting to Rs. 393.76 Lacs (previous year Rs. Nil) is secured by the personal guarantee of Managing Director and immovable property held by the relatives of the Managing director located at Ahmedabad. The said loan is repayable in 36 monthly instalments starting from August 2021 and last instalment due in July 2024. Rate of interest 9.25% per annum.



Notes forming part of the standalone financial statements

(Amount in INR)

Particulars	As at March 31,2020	As at March 31,2019
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15. OTHER NON CURRENT LIABILITIES (CONTD.....)**NOTES:**

Term loan from bank Standard Chartered, balance outstanding amounting to Rs. 1944.92 Lacs (previous year Rs.1972.57 Lacs) is secured by the personal guarantee of Managing Director and immovable property held by the relatives of the Managing director located at Ahmedabad. The said loan is repayable in 180 monthly instalments starting from August 2019 and last instalment due in July 2034. Rate of interest 9.00% p.a. as at year end.

Default in terms of repayment and interest is Nil.

Terms of repayment for Long Term unsecured borrowings:

The unsecured loan, balance outstanding amounting to Rs. 477.29 Lac (Previous year Rs. 525.54 Lac) is repayable after one year. Rate of interest 12.00% to 15.00% p.a. as at year end.

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
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16 DEFERRED TAX ASSETS (Net)**(a) Deferred tax assets**

- (i) Difference between book and tax depreciation
- (ii) Other

(57,988)	(57,988)
(57,988)	(57,988)

(b) Deferred tax liabilities

- (i) Difference between book and tax depreciation
- (ii) Other

937,352	696,268
158,290	17,047
1,095,642	713,315

Total

1,037,654	655,327
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(b) Movement in Deferred Tax balances**31st March 2021**

Particulars	Opening Balance	Recognised in P and L	Closing Balance
Recognised in P and L			
(i) Difference between book and tax depreciation	696,268	241,084	937,352
(ii) EIR	(57,988)	-	(57,988)
(iii) ECL	17,047	141,243	158,290
Total	655,327	382,327	1,037,654

31st March 2020

Particulars	Opening Balance	Recognised in P and L	Closing Balance
Recognised in P and L			
(i) Difference between book and tax depreciation	(16,779)	713,047	696,268
(ii) EIR		(57,988)	(57,988)
(iii) ECL		17,047	17,047
Total	(16,779)	672,106	655,327

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



Notes forming part of the standalone financial statements

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
17. BORROWINGS (Current):		
Secured - at amortised cost		
- Loans repayable on demand from banks (refer note (i) below)		
a) Bank of Baroda C/C	199,743,950	188,007,211
b) Bank of India C/C	146,892,532	159,666,119
Total	346,636,482	347,673,330

Note: (i) Working Capital facilities are secured by the Personal Guarantee of Managing Director and all the chargeable Current Assets, Plant & Machinery and other fixed assets situated at Company's Factory premises. (ii) Working Capital loans from bank carry interest rate ranging from 13.00% to 13.50% per annum. The facilities are further secured by mortgaged of certain immovable properties owned by Directors and their relatives.

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
18. TRADE PAYABLES		
Trade payables		
Dues to Micro, Small and Medium enterprise	88,364,721	9,508,529
Dues to other than Micro, Small and Medium enterprise	170,151,153	313,776,192
Total	258,515,874	323,284,721

The average credit period on purchases of certain goods is 0 to 120 days. No interest is payable on the trade payables for the first 0 to 120 days from the date of invoice. Thereafter, the interest is paid at 12% per annum on the outstanding balance only for purchase for Grey Fabrics. The Company has financial risk management policies in process to ensure that all payables are paid within the pre-agreed credit terms

Dues payable to Micro and Small Enterprise

As per information given to us there were no amount overdue and remaining outstanding to small scale and /or ancillary Industrial suppliers on account of principal and /or interest as at the close of the year. Based on the information available with company, there are dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for more than 45 days as at March 31, 2021. However based on agreed terms, the payment to be made upto 120 days and accordingly no interest has been paid.

(Amount in INR)

Particulars	As at March 31,2021	As at March 31,2020
Principal amount remaining unpaid to any supplier as at the year end	88,364,721	9,508,529
Interest due on the above mentioned principal amount remaining unpaid to any supplier as at the year end	-	-
Amount of the interest paid by the Company in terms of Section 16	-	-
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSM Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-



Notes forming part of the standalone financial statements

Particulars	(Amount in INR)	
	As at March 31,2021	As at March 31,2020
19. OTHER FINANCIAL LIABILITIES (Current)		
(a) Current maturities of long-term borrowings	13,944,236	26,529,576
Total	13,944,236	26,529,576

Particulars	(Amount in INR)	
	As at March 31,2021	As at March 31,2020
20. OTHER CURRENT LIABILITIES		
(a) Statutory remittances	2,132,381	3,439,743
(b) Payables on purchase of fixed assets	10,024,453	15,271,638
(c) Payables for expenses		
Dues to Micro, Small and Medium enterprise	36,037,738	23,144,173
Dues to other than Micro, Small and Medium enterprise	210,251,156	193,870,666
(d) Advance for Other Goods	948,294	700,000
Total	259,394,022	236,426,220

The average credit period on purchases of certain expenses is 0 to 180 days. No interest is payable on the payables for expenses. The Company has financial risk management policies in process to ensure that all payables are paid within the pre-agreed credit terms.

Dues payable to Micro and Small Enterprise:

As per information given to us there were no amount overdue and remaining outstanding to small scale and /or ancillary Industrial suppliers on account of principal and /or interest as at the close of the year. Based on the information available with company, there are dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for more than 45 days as at March 31, 2021. however based on agreed terms, the payment to be made upto 180 days and accordingly no interest has been paid.

Particulars	(Amount in INR)	
	As at March 31,2021	As at March 31,2020
Principal amount remaining unpaid to any supplier as at the year end	36,037,738	23,144,173
Interest due on the above mentioned principal amount remaining unpaid to any supplier as at the year end	-	-
Amount of the interest paid by the Company in terms of Section 16	-	-
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSM Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

Particulars	(Amount in INR)	
	As at March 31,2021	As at March 31,2020
21 PROVISIONS (Current)		
Provisions	5,063,219	5,882,405
Total	5,063,219	5,882,405



Notes forming part of the standalone financial statements

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
22. REVENUE FROM OPERATIONS:		
(a) Sale of products		
Finished Goods (Net of Returns, Rebate & Discount)	1,033,419,259	1,583,566,338
Traded Goods Grey Sales	35,172,744	21,739,771
Yarn Sales	9,490,771	
Export Sales	31,593,754	33,620,743
(b) Sale of services - Job Work	344,831,205	401,467,871
Total	1,454,507,733	2,040,394,723
Less: Commission on sales	6,290,752	15,205,595
Total	1,448,216,981	2,025,189,128

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
23. OTHER INCOME:		
(a) Interest income earned on Fixed Deposit	961,732	1,730,259
(b) Exchnage Fluctuation	(203,348)	409,261
(c) Rent	132,966	156,900
(d) Interest on IT Refunds	526,260	172,838
(e) Duty Drawback	776,652	717,134
(f) Export Incentive Sale	3,043,094	135,464
(g) Profit On Sale of Fix assets	-	121,576
Total	5,237,356	3,443,432

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
24. COST OF MATERIALS CONSUMED		
Opening stock	83,899,774	69,410,071
Add : Purchase	914,096,580	1,418,488,286
Add : Grey Dalali	864,436	206,712
Less: Closing stock	104,506,792	83,899,774
Cost of materials consumed	894,353,998	1,404,205,295

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
25. PURCHASES OF STOCK-IN-TRADE		
Grey Purchase	34,317,280	21,141,950
Yarn Purchase	9,413,082	-
Total	43,730,362	21,141,950



Notes forming part of the standalone financial statements

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
26. CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK IN TRADE) AND WORK-IN-PROGRESS)		
Inventories at the end of the year:		
(a) Finished goods	333,098,920	264,155,601
(b) Work-in-progress Own	129,772,719	113,629,242
(c) Work-in-progress Job	11,690,377	5,319,104
Total	474,562,016	383,103,947
Inventories at the beginning of the year:		
(a) Finished goods	264,155,601	218,673,173
(b) Work-in-progress Own	113,629,242	53,405,265
(c) Work-in-progress Job	5,319,104	4,244,408
Total	383,103,947	276,322,846
Net (increase) / decrease	(91,458,069)	(106,781,101)

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
27. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and wages	39,557,627	45,149,545
(b) Contributions to provident and other funds	2,649,758	4,080,326
(c) Staff welfare expenses	491,134	715,866
(d) Director Remuneration	2,402,400	2,402,400
(e) Directors Sitting Fees	323,900	312,400
Total	45,424,819	52,660,537

Particulars	(Amount in INR)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
28. FINANCE COSTS		
(a) Interest costs on borrowings	74,602,020	79,027,906
(b) Other borrowing costs	3,015,017	10,650,692
Total	77,617,037	89,678,598



Notes forming part of the standalone financial statements

(Amount in INR)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
29. OTHER EXPENSES		
Manufacturing Expenses		
Colour Chemical Consumed :		
Opening Stock	18,326,355	9,532,661
Add: Purchase (Net of Return)	147,938,118	158,355,581
Less: Sale		-
	<u>166,264,473</u>	<u>167,888,242</u>
Less: Closing Stock	<u>20,357,413</u>	<u>18,326,355</u>
	<u>145,907,060</u>	<u>149,561,887</u>
Packing Material Consumed :		
Opening Stock	305,270	198,895
Add: Purchase (Net of Return)	5,940,015	7,210,470
	<u>6,245,285</u>	<u>7,409,365</u>
Less: Closing Stock	<u>305,750</u>	<u>305,270</u>
	<u>5,939,535</u>	<u>7,104,095</u>
Power & Fuel Consumed :		
Opening Stock	2,021,255	745,241
Add: Purchase of Lignite & Fire Wood	96,526,683	120,792,994
Add: Electric Bill	43,408,538	54,047,432
	<u>141,956,476</u>	<u>175,585,667</u>
Less: Closing Stock	<u>1,820,340</u>	<u>2,021,255</u>
	<u>140,136,136</u>	<u>173,564,412</u>
Store & Spare Consumed :		
Opening Stock	14,953,517	9,935,330
Add: Purchase	45,822,775	59,525,332
Less : Sale		-
	<u>60,776,292</u>	<u>69,460,662</u>
Less: Closing Stock	<u>12,535,760</u>	<u>14,953,517</u>
	<u>54,507,145</u>	<u>54,220,106</u>
	<u>48,240,532</u>	<u>54,507,145</u>
Process Charges	86,804,960	103,148,233
Freight & Octroi Cartage	8,495,979	10,780,607
Design Expenses	63,096	11,199
Factory Expenses	1,112,408	1,274,929
Testing charges	77,660	175,079
Pollution Control Exps.	9,932,115	11,366,854
	<u>446,709,481</u>	<u>511,494,440</u>
Administrative, Selling & Distribution Expenses :		
Postage & Telephone Expenses	1,015,479	2,112,615
Printing & Stationery	585,058	690,141
Rent, Rate & Taxes	2,445,260	2,138,209
Insurance Charges	2,044,256	1,630,399
Consulting & Professional Charges	1,657,538	1,336,592
Auditors Remuneration	450,000	450,000
Advertisement	48,384	65,664
Charity & Donation	500,000	271,111
Electric Expenses	364,889	312,422



Notes forming part of the standalone financial statements

(Amount in INR)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
29. OTHER EXPENSES (CONTD.....)		
Administrative, Selling & Distribution Expenses :		
Office & General Expenses	296,073	246,605
Vehicle Expenses	2,357,718	2,078,502
Legal Expenses	420,401	46,974
Misc. Expenses	90,400	670,938
Computer Expenses	584,888	830,179
Claim Vatav Incentive (Net)	4,268,908	9,855,188
Sales Promotion Expenses	321,303	1,483,873
Travelling Expenses	293,186	1,203,871
Clearing & forwarding	210,168	87,777
Interest on TDS	77,719	56,003
Interest on GST	12,127	18,465
Gst Charges	405,068	114,005
Vat (Sales Tax)	-	15,676
ECL expenses	628,883	67,733
Total	465,787,187	537,277,382
Payments to auditors:		
(a) For audit	200,000	200,000
(b) For taxation matters	100,000	100,000
(c) For other services (including certifications fees)	150,000	150,000
Total	450,000	450,000
Directors Remuneration		
Directors Remuneration	2,402,400	2,402,400
Total	2,402,400	2,402,400

(Amount in INR)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
30. BASIC AND DILUTED EARNINGS PER SHARE:		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit after tax (Amount in INR)	336,502.90	8,714,191.87
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	9,500,000	9,500,000
Basic and Diluted Earnings per share (Face value of Rs. 10 each)	0.04	0.92

(Amount in INR)		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020

31. COMMITMENTS, CONTINGENT LIABILITIES AND ASSETS:

Estimated amounts of contracts remaining to be executed on capital account	3,487,442.00	3,387,000.00
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Contingent liabilities

Contingent Liability on account duty saved due to import against EPCG license is Rs Nil as at 31st March, 2021 (Rs. Nil 31st March, 2020), which has to be met by fulfilling an export obligation of Rs. Nil.

Contingent assets

There are no contingent assets recognised as at March 31, 2021.

**Notes forming part of the standalone financial statements**

- 32 Balance of Trade Payables, Receivables, Loans and advances, unsecured loans are subject to confirmation.
- 33 Break up of expenditure incurred on employess who were in receipt of remuneration aggregating Rs.10200000/- or more for year or Rs.850000/- or more, where employed for a part of the year. Nil (Previous Year Rs. Nil).

34 SEGMENT INFORMATION:**(a) Description of segment and principal activities**

The Managing Director/ Chief Executive Officer of the Company allocate resources and assess the performance of the Company, thus are the Chief Operating Decision Maker (CODM). Textile Business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

(b) Information about geographical areas**(i) Revenue from External Customers:**

Particulars	2020-21	2019-20
India	1,416,623,227	1,991,568,385
Outside India	31,593,754	33,620,743
Total	1,448,216,981	2,025,189,128

Revenue from external customer is allocated based on the location of customers.

(ii) Non - Current Assets:

Particulars	2020-21	2019-20
India	110,898,353	125,045,808
Outside India	-	-
Total	110,898,353	125,045,808

Non-current assets include property, plant and equipment, capital work in progress, intangible assets and Security Deposits. It is allocated based on the geographic location of the respective assets.

(c) Information about major customers:

There is no customer representing more than 10% of the total balance of trade receivables.

35. RELATED PARTY TRANSACTIONS:

- a. **Concerns in which directors or their relatives are interested** Balhanuman Fabrics Pvt. Ltd.
Anunay Fab Ltd.
- b. **Directors and their relatives & Key Managerial Personnel:** Purshottam Radheshyam Agarwal - Managing Director
Ramniwas Pandia - Director
Vaishali Sureshkumar Soni - Director
Rameshkumar Parmeshwarilal Agarwal - Director
Jagdish Shamjibhai Kanzariya (Appointed on 09.03.2021)
Companies Secretary
Somna P. Agarwal - RELATIVE
Kishan Yadav - CFO/Director
Jyoti Devnani (Resigned on 01.10.2020) Companies Secretary



Notes forming part of the standalone financial statements

35. RELATED PARTY TRANSACTIONS: (CONTD.....)

Following transactions were carried out with the related parties in the ordinary course of business:

Particulars	As on 31.03.2021			As on 31.03.2020		
	Associates Companies	Directors', Relatives & KMP	Concerns in which Directors are interested	Associates Companies	Directors', Relatives & KMP	Concerns in which Directors are interested
1 Sales & other Inc.	Nil	Nil	177356071	Nil	Nil	179233728
2 Purchase & other Ser.	Nil	Nil	253384614	Nil	Nil	413234723
3 Remuneration	Nil	3904800	Nil	Nil	3904800	Nil
4 Sitting Fees	Nil	323900	Nil	Nil	Nil	Nil
5 Deposit Received	Nil	Nil	32261057	Nil	Nil	59794619
6 Deposit Paid	Nil	Nil	191710530	Nil	Nil	165154292
7 Interest Recd.	Nil	Nil	Nil	Nil	Nil	Nil
8 Interest Paid	Nil	Nil	Nil	Nil	Nil	Nil
9 Rent Paid	Nil	870000	Nil	Nil	870000	Nil
10 Investment in Equity	Nil	Nil	Nil	Nil	Nil	Nil
11 Salary to KMP	Nil	274190	Nil	Nil	341377	Nil
12 Balance outstanding [Dr./Cr.(Net)]	Nil	Nil	106406546 DR	Nil	1433430 CR	22985615 DR

The particulars given above have been identified on the basis of information available with the company.

36. FINANCIAL INSTRUMENTS:

1. Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	658,633,545	597,483,760
Cash and bank balances (Refer Note 9)	21,404,802	21,104,985
Net debt	680,038,347	618,588,745
Total equity	290,398,243	290,061,740
Net debt to equity ratio	2.34	2.13

(i) Debt is defined as long-term and short term borrowing, as described in notes 14, 17 and 19



Notes forming part of the standalone financial statements

36. FINANCIAL INSTRUMENTS:

2. Categories of financial instruments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying values	Fair values	Carrying values	Fair values
Financial assets				
Measured at amortised cost				
Investments	-	-	-	-
Loans	10,274,382	10,274,382	12,976,836	12,976,836
Trade receivables	695,987,428	695,987,428	775,884,872	775,884,872
Cash and cash equivalents	21,404,802	21,404,802	21,104,984	21,104,984
Total Financial Assets carried at amortised cost (A)	727,666,611	727,666,611	809,966,692	809,966,692
Measured at fair value through profit and loss				
Current investments in mutual funds	-	-	-	-
Total Financial Assets at fair value through profit and loss (B)	-	-	-	-
Total Financial Assets (A+B)	727,666,611	727,666,611	809,966,692	809,966,692
Financial liabilities				
Measured at amortised cost				
Non-current liabilities				
Non-current borrowings *	298,052,827	298,052,827	223,280,854	223,280,854
Current liabilities				
Short-term borrowings	346,636,482	346,636,482	347,673,330	347,673,330
Trade payables	258,515,874	258,515,874	323,284,721	323,284,721
Other financial liabilities	13,944,236	13,944,236	26,529,576	26,529,576
Financial Liabilities measured at amortised cost	917,149,419	917,149,419	920,768,481	920,768,481
Total Financial Liabilities	917,149,419	917,149,419	920,768,481	920,768,481

For financial liabilities (domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.

3. Financial risk management objectives:

The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

4. Market risk:

The Company's activities expose it primarily to the financial risks of changes in interest rates due to variable interest loans. The Company does not enter into derivative contracts to manage risks related to anticipated sales and purchases.

5. Foreign currency risk management:

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options taken at the time of initiation of the booking by the management. Such decision is taken after considering the factors such as upside potential, cost of structure and the downside risks etc. Quarterly reports are submitted to Management Committee on the covered and open positions and MTM valuation.



Notes forming part of the standalone financial statements

36. FINANCIAL INSTRUMENTS: (CONTD.....)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	As at March 31, 2021				As at March 31, 2020			
	USD	EURO	INR	Total	USD	EURO	INR	Total
Financial assets								
Non-current financial assets								
Investments	-	-	-	-	-	-	-	-
Advances to supplier	28,817	-	-	-	-	-	-	-
Total non-current financial assets	28,817	-	-	-	-	-	-	-
Current financial assets								
Trade receivables (Exports)	160625	-	-	51,595	-	1,268,130	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-
Total current financial assets	160,625	-	-	51,595	-	1,268,130	-	-
Total financial assets	189,442	-	-	51,595	-	1,268,130	-	-
Financial liabilities								
Non current financial liabilities								
Borrowings -	-	-	-	-	-	-	-	-
Total non-current financial liabilities	-	-	-	-	-	-	-	-
Current financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total current financial liabilities	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	-	-
Excess of financial liabilities over financial assets	(189,442)	-	-	(51,595)	-	(1,268,130)	-	-
Hedge foreign currency risk	-	-	-	-	-	-	-	-
Unhedge foreign currency risk	(189,442)	-	-	(51,595)	-	(1,268,130)	-	-
Sensitivity impact on Net liabilities/(assets) exposure at 10%	(18,944)	-	-	(5,159)	-	(126,813)	-	-

5.1 Foreign currency sensitivity analysis:

The Company is not materially exposed to USD and EURO currency.

6. Interest rate risk management:

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in interest rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like long term and short term loans. The risk is managed by the Company by maintaining an appropriate

**Notes forming part of the standalone financial statements**

mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The table in 6.1 provides a break-up of the Company's fixed and floating rate borrowings:

6.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings and interest rate sensitivity analysis.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Gross amount	Interest rate sensitivity @ 0.50%	Gross amount	Interest rate sensitivity @ 0.50%
Fixed Loan	47,729,258	NA	52,553,721	NA
Variable Loan	610,904,287	3,054,521	544,930,039	2,724,650
Total	658,633,545	3,054,521	597,483,760	2,724,650

7. Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to the above mentioned company did not exceed 10% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year.

7.1 Collateral held as security and other credit enhancements:

The Company does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

8. Liquidity risk management:

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.



Notes forming part of the standalone financial statements

8.1 Particulars	As at March 31, 2021				As at March 31, 2020			
	<1year	1-5years	> 5 years	Total	<1year	1-5years	> 5 years	Total
Financial assets								
Non-current								
Investments	-	-	-	-	-	-	-	-
Loans	-	-	10,274,382	10,274,382	-	-	12,976,836	12,976,836
Total non-current financial assets	-	-	10,274,382	10,274,382	-	-	12,976,836	12,976,836
Current								
Trade receivables	555,433,825	141,182,486	-	696,616,311	658,082,789	117,869,816	-	775,952,605
Cash and cash equivalents	21,404,802	-	-	21,404,802	21,104,984	-	-	21,104,984
Total current financial assets	576,838,627	141,182,486	-	718,021,113	679,187,773	117,869,816	-	797,057,589
Total financial assets	576,838,627	141,182,486	10,274,382	728,295,495	679,187,773	117,869,816	12,976,836	810,034,425
Financial liabilities								
Non-current								
Borrowings	69,776,028	180,547,541	47,729,258	298,052,827	170,727,133	-	52,553,721	223,280,854
Total non-current financial liabilities	69,776,028	180,547,541	47,729,258	298,052,827	180,547,541	-	52,553,721	223,280,854
Current								
Borrowings	346,636,482	-	-	346,636,482	347,673,330	-	-	347,673,330
Trade payables	229,621,286	28,894,588	-	258,515,874	313,776,192	-	-	313,776,192
Other financial liabilities	13,944,236	-	-	13,944,236	26,529,576	-	-	26,529,576
Total current financial liabilities	590,202,004	28,894,588	-	590,202,004	687,979,098	-	-	687,979,098
Total financial liabilities	659,978,032	209,442,129	47,729,258	888,254,831	868,526,639	-	52,553,721	911,259,952

37. INCOME TAXES:

Income taxes recognised in statement of profit and loss:

(Amount in INR)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Income tax recognised in the statement of profit and loss		
Current tax:		
In respect of the current year	680000	2,450,000
Short Provision for tax of earlier years	396933	206,263
Deferred tax:		
In respect of the current year	382,327	672,106
MAT Credit Taken		
Income tax expenses recognised in the statement of profit and loss	1,459,260	3,328,369
(ii) Income tax recognised in other comprehensive income		
Deferred Tax:		
Deferred tax benefit on actuarial gain/(loss) on defined plan	-	-
Income tax expenses recognised in the in other comprehensive income	-	-



Notes forming part of the standalone financial statements

37. INCOME TAXES: (CONTD.....)

Reconciliation of Tax Expenses and the accounting profit for the year is as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income before taxes	1,795,763	12,042,561
Enacted tax rate in India	25.17%	25.17%
Expected income tax benefit/(expense) at statutory tax rate	451,993	3,031,113
Effect of:		
Others	610,333	90,994
Short Provision for tax of earlier years	396,933	206,263
Income taxes credit/ (expenses) recognised in the statement of income	1,459,260	3,328,369

Components of Deferred Tax (charge)/benefit for the year	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation and Amortisation	241,084	713,047
Others	141,243	(40,941)
Total deferred tax for the year	382,327	672,106

Components of deferred tax assets and liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Deferred tax assets		
(i) Difference between book and tax depreciation		
(ii) Others	(57,988)	(57,988)
	(57,988)	(57,988)
(b) Deferred tax liabilities		
(i) Difference between book and tax depreciation	937,352	696,268
(ii) Others	158,290	17,047
	1,095,642	713,315
Deferred tax Liabilities (Net)	1,037,654	655,327



Notes forming part of the standalone financial statements

38. Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

(Amt in INR)

Particulars	As at March 31, 2021	As at March 31, 2020
Sales of Goods		
Finished Goods	1,057,612,236	1,601,487,170
Traded Goods Grey Sales	35,172,744	21,739,771
Yarn Sales	9,490,771	-
Export Sales	31,593,754	33,620,743
Sales of Services		
Job Work	344,831,205	401,467,871
Revenue as per contracted price	1,478,700,710	2,058,315,555
Adjustments		
Discounts / rebates / incentives	-	-
Sales returns / credits / reversals	(24,192,977)	(17,920,832)
Deferment of revenue	-	-
Any other adjustments	(6,290,752)	(15,205,595)
Revenue from contract with customers	1,448,216,981	2,025,189,128

Disaggregation of revenue:

The management determines that the segment information reported under Note 34 Segment reporting is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with Customers. Hence, no separate disclosures of disaggregated revenues are reported.

39. Assets Mortgage/Hypothecated as security

The carrying amount of assets pledged/hypothecated as security for current and non-current borrowings are:

Assets description	31.03.2021	31.03.2020
First and / or Second charge		
I. Current Financial Assets		
Trade receivables	695,987,428	775,884,872
Bank balances	21,404,802	21,104,984
Other financial assets	-	-
II. Current Assets		
Inventories	614,088,071	502,610,118
Other Current Assets	45,663,904	44,148,391
Total current assets Hypothecated/Mortgage as security	1,377,144,204	1,343,748,365
First and / or Second charge		
III Property, Plant and Equipment		
A. Plant and equipments	43,823,347	47,495,164
B. Freehold land	-	-
C. Buildings	24,493,986	27,028,060
D. Lease Hold Improvements	-	-
E. Furniture & Fittings	2,388,312	2,396,951
F. Office Equipments	-	-
G. Vehicles	3,602,954	3,827,268
H. Computer	223,323	310,237
I. Electronic Equipment	-	-
J. Intangible Assets	26,092,049	31,011,292

**Notes forming part of the standalone financial statements****39. Assets Mortgage/Hypothecated as security (Contd.....)**

Assets description	31.03.2021	31.03.2020
IV. Capital work in progress		
V. Non Current Financial Assets		
Investment		
Other Financial Assets	10,274,382	12,976,836
VI. Other Non Current Assets		
Total non-current assets Hypothecated/Mortgage as security	110,898,353	125,045,808
Total Assets Hypothecated/Mortgage as security	1,488,042,557	1,468,794,173

40. Company has not given any loan or Gaurantees during the year hence disclosure under section 186(4) of the Companies Act, 2013 is not given.

41. Approval of financial statements

The financial statements were approved for issue by the board of directors on 30th June, 2021.

Signature to Notes Forming Part of the Financial Statement

In terms of my report attached
For Abhishek Kumar & Associates
Chartered Accountants
Firm Regn. No. 130052W

(CA. Abhishek Kumar Agarwal)
Proprietor
M. No. 132305

Place : Ahmedabad
Dated : 30-06-2021

For and on behalf of the Board of Directors
SHREE BHAVYA FABRICS LIMITED

Purshottam R. Agarwal
(Managing Director)
(DIN-00396869)

Ramniwas Pandia
(Director)
(DIN-02875168)

Kishan Yadav
(Chief Financial Officer)

Jagdish Kanzariya
(Companies Secretary)

Book Post

To

If Undelivered please return to :

SHREE BHAVYA FABRICS LIMITED

Regd Office: Survey No. 170,

Opp. Advance Petrochem Limited,

Pirana Road, Piplej, Anmedabad - 382405.