

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

Note 1 CORPORATE INFORMATION

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

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

a) BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

b) USE OF ESTIMATES

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

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

c) CURRENT & NON-CURRENT CLASSIFICATION

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

d) INVENTORIES

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

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

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

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

f) CASH FLOW STATEMENT

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

g) PRIOR PERIOD ITEMS

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

h) DEPRECIATION

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

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

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

i) REVENUE RECOGNITION

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

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

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

amount outstanding and the rate applicable.

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

j) PROPERTY, PLANT AND EQUIPMENT

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

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

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

k) FOREIGN CURRENCY TRANSACTIONS

i) Initial Recognition and measurement

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

ii) Subsequent Measurement

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

iii) Exchange Differences

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

iv) Forward Exchange Contracts

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

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

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

l) INVESTMENTS

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

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

m) EMPLOYEE BENEFITS

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

Short Term Employee Benefits

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

Post Employment Benefits

i) Defined Benefit Plan

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

ii) Defined Contribution Plans

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

iii) Long-term Employee Benefits

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

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

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

n) BORROWING COSTS

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

o) SEGMENT ACCOUNTING

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

p) RELATED PARTY TRANSACTIONS

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

q) LEASES

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

r) EARNING PER SHARE

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

s) TAXES ON INCOME

i) Deferred Taxation

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

Sheet Date.

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

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

ii) Current Taxation

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

t) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

u) ACCOUNTING OF CLAIMS

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

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

v) EXPORT INCENTIVES

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

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

Note 3 SHARE CAPITAL

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

(b) Terms/ Rights attached to Equity Shares

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

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

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

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

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

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

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

Note 4 RESERVES & SURPLUS

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

Note 5 LONG TERM BORROWINGS

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

Notes:

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

e) Details of Loans from NBFC:

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

Note 6 DEFERRED TAX

a)

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

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

Note 7 LONG TERM PROVISIONS

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

Note 8 SHORT TERM BORROWINGS

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

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

Note 9 TRADE PAYABLES

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

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

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

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

Note 10 OTHER CURRENT LIABILITIES

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

Note 11 SHORT TERM PROVISIONS

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

Note 12 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

Note 15 TRADE RECEIVABLES

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

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

Note 16 CASH AND BANK BALANCES

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

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

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

Note 18 OTHER CURRENT ASSETS(Unsecured, considered good)

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

Note 19 REVENUE FROM OPERATIONS

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

Note 20 OTHER INCOME

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

Note 21 COST OF MATERIALS CONSUMED

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

Note 22 PURCHASES OF STOCK-IN-TRADE

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

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

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

Note 24 EMPLOYEE BENEFIT EXPENSE

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

Note 25 FINANCE COSTS

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

Note 26 OTHER EXPENSES

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

Note 27 TAX EXPENSE

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

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

Note 28 EARNINGS PER SHARE (EPS)

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

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

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

Note 29 RELATED PARTY DISCLOSURES

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

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

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

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

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

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

Note 30 GRATUITY

a) Net employee benefit expense recognized in the employee cost

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

b) CURRENT AND NON CURRENT LIABILITY

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

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

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

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

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

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

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

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

Note 31 PRIOR PERIOD EXPENSES

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

Note 31 OTHER DISCLOSURES

- a) Sundry Creditors, Receivables and Loans and Advances include certain items for which confirmations are yet to be received. Provision for doubtful debts, if any, in respect of above and the consequential adjustments, arising out of reconciliation will be made at the appropriate time.

- b) In the opinion of the Management and to the best of their knowledge and belief the value under the head of Current and Non Current Assets (other than property, plant and equipment and non current investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

c) Contingent liabilities not provided for:

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

Note 33 OTHER STATUTORY INFORMATION

33.1 Details of Goods

- Detail of goods sold

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

- Detail of raw material consumed

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

- Detail of purchase of finished/traded goods

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

- Details of Inventory

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

33.2 Value of imports calculated on CIF basis

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

33.3 Expenditure in Foreign Currency (Accrual Basis)

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

33.4 Earnings in Foreign Currency (Accrual Basis)

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

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

Note 34 SEGMENT REPORTING

i) Primary Segment

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

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

j) Secondary Segment

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

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

Note 35

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

Note 36 PREVIOUS YEAR FIGURES

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

In terms of our report attached.

For, SHAH DHANDHARIA & CO.

Chartered Accountants

Firm Reg. No. 118707W

Sd/-

Karan Amlani

(Partner)

Membership No. 193557

Place: Ahmedabad

Date: 09/07/2020

For and on behalf of the Board of Directors

Sd/-

Bhavik Parikh

Director

DIN: 00038223

Sd/-

Faruk Diwan

Company Secretary

Sd/-

Nilay Vora

Director

DIN: 07732523

Sd/-

Bhavin Parikh

CFO
