



ASHNOOR TEXTILE MILLS LIMITED

Regd. Office & Works : BEHRAMPUR ROAD, KHANDSA VILLAGE, GURGAON, HARYANA
TEL. : 0124-4940550 □ FAX : 0124-4940555
□ email : atml_delhi@yahoo.com
Registration No. : L17226HR1984PLC033384

October 10, 2018

To

The Manager
Department of Corporate Services
Bombay Stock Exchange Ltd.
Dalal Street,
Mumbai -400 001.

Ref. : Scrip Code No.: 507872

Sub.: Annual Report for the Financial Year ended on March 31, 2018

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year ended March 31, 2018, duly approved and adopted by the shareholders of the Company at the 35th Annual General Meeting of the Company held on September 29, 2018.

Please take the above on your records.

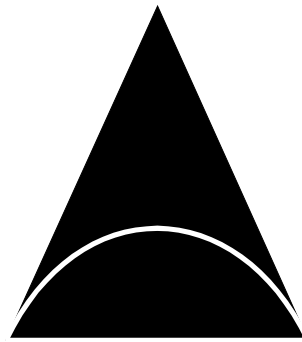
Thanking You.

Yours Faithfully,
For **Ashnoor Textile Mills Limited**

Suneel Gupta
Managing Director
DIN-00052084

79-A, Sainik Farms
W3, Western Avenue
New Delhi-110062
Delhi

Enclosed: As Above

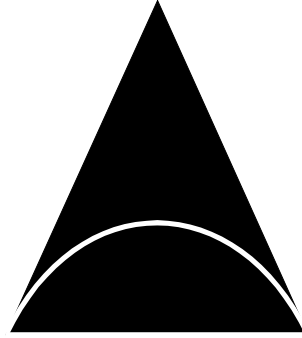


ASHNOOR

Annual Report

2017-2018

Ashnoor Textile Mills Limited



ASHNOOR

Board of Directors

- | | |
|------------------------------|---------------------|
| 1. Mr. Suneel Gupta | Managing Director |
| 2. Dr. (Mrs.) Sangeeta Gupta | Whole-time Director |
| 3. Mr. Abhinav Gupta | Whole-time Director |
| 4. Ms. Noor Gupta | Director |
| 5. Mr. Anil Aggarwal | Director |
| 6. Mr. Piyush Gupta | Director |
| 7. Mr. Sanjay Arora | Director |
| 8. Ms. Divya Agarwal | Director |

Registered Office and Factory

Behrampur Road
Village Khandsa
District Gurgaon
Haryana - 122 001

Auditors

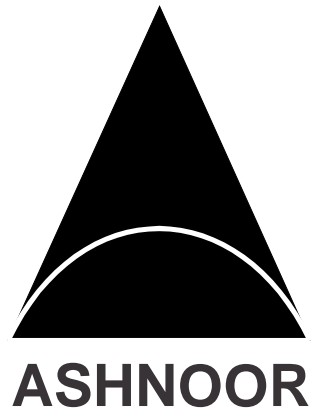
Messrs Agarwal & Gupta
Chartered Accountants
Delhi - 110 092

Bankers

Bank of Baroda
International Business Branch
Bank of Baroda Building
1, Sansad Marg
New Delhi - 110 001

Registrar

Messrs Link Intime India Private Limited
44, Community Centre
Phase - 1, Near PVR
Naraina Industrial Area
New Delhi - 110 028



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NOTICE

NOTICE is hereby given that 35th Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Saturday, September 29, 2018, at 9.30 a. m. at the Registered Office of the Company at Behrampur Road, Village Khandsa, District Gurugram, Haryana-122001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, the Report of the Directors' and the Auditors' thereon.
2. To appoint Mrs. (Dr.) Sangeeta Gupta (DIN-00052121), who retires by rotation and, being eligible, offers herself for re-appointment as a Director.

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Sections 149, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act), relevant Rules (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Ms. Divya Agarwal (DIN-08016384), who was appointed as Additional Director in Independent Category by the Board of Directors effective from December 9, 2017, holds office of Director upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing her candidature for the office of the Director, be and is hereby appointed as Independent Director on the Board of the Company, not liable to retire by rotation, for a tenure of five (5) years effective December 9, 2017.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution."

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, Ms. Noor Gupta (DIN: 03611790), who was appointed as an Additional Director in Promoter Category, whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing under section 160 of the Act from a member proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution:

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RESOLVED THAT in accordance with the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, at the recommendation of the Nomination and Remuneration Committee, Mr. Abhinav Gupta (DIN-02766867) be and is hereby re-appointed as Whole Time Director for a period of three years effective from February 1, 2019 at the remuneration, allowances/ perquisites and other terms and conditions as detailed below and will liable to retire by rotation:

Basic Salary: Rs.7,00,000/- per month

Perquisites: In addition to the above salary the Whole Time Director shall be entitled to following perquisites –

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) Encashment of leave at the end of tenure.

In addition to above the Whole Time Director shall also be entitled to use of Company's car with driver, use of Company's telephone at his residence and also the use of Company's mobile. However, personal long distance calls on telephone/mobile and use of car for private purpose shall be billed by the Company to the Whole Time Director.

No sitting fee shall be payable to the Whole Time Director for attending any meeting of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company shall pay to Whole Time Director the remuneration as mentioned above as minimum remuneration as per provisions of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT that the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary to give effect to this resolution.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 and rules made there under and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company be and is hereby increased from Rs. 107,500,000 (Rupees Ten Crore Seventy Five Lakh Only) divided into 10,750,000 (One Crore Seven Lakh Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each to Rs.127,500,000 (Rupees Twelve Crore Seventy Five Lakh) divided into 12,750,000 (One Crore Twenty Seven Lakh Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each by creation of additional 2,000,000 (Twenty Lakh) Equity Shares of Rs.10/- (Rupees Ten) each ranking pari-passu in all the respect with the existing equity shares of the Company.

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RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be altered and substituted as under:

- V. The Authorized Share Capital of the Company is .Rs.127,500,000 (Rupees Twelve Crore Seventy Five Lakh) divided into 12,750,000 (One Crore Twenty Seven Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take necessary actions to give effect to the foregoing resolution, submission of documents and papers with the concerned authorities to register and implement the aforesaid amendment to the Memorandum of Association of the Company and to do all such acts, deeds and things as may be necessary in this regard including authorizing any officers/consultants of the Company for this purpose.”

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any re-enactment(s) and modification(s) made there under, if any, for the time being in force) (hereinafter referred to as “Companies Act”) read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, as amended and other relevant rules made there under (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), enabling provisions of Memorandum of Association and Articles of Association of the Company, provisions of the uniform listing agreement entered into by the Company with the Stock Exchange(s) where the shares of the Company are listed (“Stock Exchange(s)”), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (“SEBI”), including the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”), SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and subject to the approvals, consents, permissions and/or sanctions, as may be required from the Government of India, Reserve Bank of India, SEBI, Stock Exchange(s) and any other relevant statutory, governmental authorities or departments, institutions or bodies by the Company or the Proposed Allottee (as defined hereinafter) and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/ or sanctions and which may be agreed by the board of directors of the Company (hereinafter referred to as the “Board” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot upto 10,00,000 (Ten lakh) Equity Shares of face value of Rs. 10/- (Rupees Ten only) each at an issue price of Rs.22 (Rupees Twenty Two only) per Equity Share or such

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other price as may be determined in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations and on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations to the below mentioned persons belonging to Promoter Category:

Serial Number	Name of the Proposed Allottees	Number of Equity Shares proposed to be allotted	Category
1.	Suneel Gupta	400,000	Promoter and Managing Director
2.	Sangeeta Gupta	200,000	Promoter and Whole Time Director
3.	Abhinav Gupta	200,000	Promoter and Whole Time Director
4.	Noor Gupta	*200,000	Promoter & Promoter Group and Director
Total		1,000,000	

*Immediate relative of Promoters

RESOLVED FURTHER THAT the Relevant Date, as per the SEBI ICDR Regulations for the determination of issue price of Equity Shares is Thursday, August 30, 2018.

RESOLVED FURTHER THAT aforesaid issue of Equity Shares shall be subject to the following terms and conditions:

- i. The Proposed Allottee of Equity Shares shall be required to bring in 100% of the consideration, for the Equity Shares to be allotted to such Proposed Allottee, on or before the date of allotment thereof;
- ii. The consideration for allotment of Equity Shares shall be paid to the Company from the bank account of the Proposed Allottee;
- iii. The Equity Shares to be allotted to the Proposed Allottee shall be under lock in for such period as may be prescribed under Chapter VII of the SEBI ICDR Regulations;
- iv. The Equity Shares so allotted to the Proposed Allottee under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under;
- v. The Equity Shares shall be allotted within a period 15 (fifteen) days from the date of passing this resolution, provided where the allotment of the Equity Shares is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval; and
- vi. Allotment shall only be made in dematerialized form.

RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted shall rank *pari-passu* in all respects including as to dividend, with the existing fully paid up Equity Shares of face value of Rs.10/- (Rupees Ten only) each of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Suneel Gupta, Managing Director of the Company and Dr. (Ms.) Sangeeta Gupta, Whole Time Director of the company, including Board of Directors/ any Committee(s) of the Board and Mr. Girish Singh Adhikari, Chief Financial Officer be and are hereby authorized severally to

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do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/or such other authorities as may be necessary for the purpose, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorized to execute and deliver any and all other documents, papers and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Preferential Issue; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution:

“RESOLVED THAT pursuant to Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (“SEBI ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeover) Regulations, 2011, as amended from time to time, (“SEBI Takeover Regulations”), and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution), consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, 10,00,000 (Ten lakh) convertible warrants on preferential basis (“Warrants”) convertible into equivalent number of Equity Shares of Rs.10/- each, at any time within and up to 18 (eighteen) months from the date of allotment of warrants, for cash, at an issue price of Rs. 22 /- (Rupees

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Twenty Two) per warrant, or such other price as may be determined in accordance with the provisions of Chapter VII of SEBI (ICDR) Regulations and to issue fresh Equity Shares on the conversion of Warrants on such further terms and conditions as may be finalized by the Board of Directors, to the below-mentioned persons belonging to Promoter category (Warrant Holder(s)):

Serial Number	Name of the Proposed Warrant Allottees	Number of Warrants proposed to be issued	Category
1.	Suneel Gupta	400,000	Promoter and Managing Director
2.	Sangeeta Gupta	200,000	Promoter and Whole Time Director
3.	Abhinav Gupta	200,000	Promoter and Whole Time Director
4.	Noor Gupta	200,000	Promoter & Promoter Group and Director
Total		1,000,000	

*Immediate relative of Promoters

RESOLVED FURTHER THAT in accordance with the provisions of Chapter VII of the ICDR Regulations, the "Relevant Date" for the purpose of determining the minimum issue price for the issue of warrants/equity shares arising on conversion of warrants is Thursday, August 30, 2018.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

RESOLVED FURTHER THAT the aforesaid issue of the Warrants shall be issued on the following terms and conditions:

- i. The proposed allottee(s) of warrants shall, on the date of allotment of warrants, pay an amount equivalent to at least 25% of the price fixed per Warrant in terms of the SEBI (ICDR) Regulations, 2009. The balance 75% of the Issue Price shall be payable on or before the conversion of said Warrants into Equity Shares, within a maximum permissible period of 18 months from the allotment thereof;
- ii. The consideration for allotment of warrants and/or Equity Shares arising out of exercise of such Warrants shall be paid to the Company from the Bank account of the respective proposed warrant allottees.
- iii. In the event the Warrant Holder does not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;
- iv. The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Warrants and Equity Shares arising on conversion of aforesaid warrants shall be in dematerialized form and shall rank pari-passu with existing equity shares;
- v. The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof;

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- vi. In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant holder: (a) receives such number of Equity Shares that Warrant holder would have been entitled to receive; and (b) pays such consideration for such Equity Shares to the Company which Warrant holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
- vii. The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to a lock-in for such period as specified under Chapter VII of ICDR Regulations relating to preferential issues and;
- viii. Warrants so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.
- ix. The Warrants by itself, until exercise of conversion option and Equity Shares allotted, does not give to the Warrant holder thereof any rights with respect to that of a shareholder(s) of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Suneel Gupta-Managing Director of the company and Ms. Sangeeta Gupta, Whole Time Director of the company, including any Board of Directors/Committee(s) of the Board and Mr. Girish Singh Adhikari-Chief Financial Officer of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Company, be and are hereby severally authorized to execute and deliver any and all other documents, papers and to do or cause to be done any and all acts or things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Preferential Issue; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

By the order of Board
Sd-
Suneel Gupta
Managing Director
DIN-00052084
Registered Office:
Village Khandsa, Behrampur Road
Gurgaon, Haryana-122001
CIN-L17226HR1984PLCO33384
E-mail: atml_delhi@yahoo.com
Phone: 0124 4809756
Web:ashnoortex.com

Place: Gurugram
Date: August 27, 2018

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NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF IN THE MEETING AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of total share capital of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total equity share of the Company may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. Pursuant to section 139 other applicable provisions of the Companies Act, Messrs Agarwal & Gupta, Chartered Accountants, were appointed as Statutory Auditors from conclusion of previous Annual General Meeting held on September 25, 2017 till the conclusion of 39th Annual General Meeting subject to provisions of first proviso to section 139, which provides placing of the matter related to such appointment for ratification by the members at every Annual General Meeting. However, the said proviso has been omitted with effect from May 5, 2018 vide the Companies (Amendment) Act, 2017. Therefore, the company is not required to place matter related to ratification of appointment of Statutory Auditors every year before the members at every Annual General Meeting.
4. Dr. (Mrs.) Sangeeta Gupta, around aged 57 years, Whole Time Director, will retire by rotation, and being eligible, offer herself for re-appointment. Details of as per Regulation 36 (3) of Listing regulations are given as follows:

She is MMBS and on the Board of the Company since March 9, 1994 and having vast experience of Textile Industry. Her present consolidated remuneration is Rs.700,000/- per month. She is not getting any perquisite. The Board has not proposed any change in her remuneration. She will not be paid sitting fee for attending the meetings of the Board. She is holding 24.07% shares in the Company. She is wife of Mr. Suneel Gupta-Managing Director and mother of Mr. Abhinav Gupta-Whole Time Director and Ms. Noor Gupta-Additional Director. All three, being her relatives, are interested in her re-appointment. She is not related to any other Director and Key Managerial Personnel or their relatives. She has attended all the seven meetings during the financial year 2017-2018. She is neither Director in any other public Company nor Member/Chairperson of Committee of the Board of Public Limited Company.

5. The Register of Members and Share Transfer Books of the Company shall remain closed from Sunday, September 23, 2018 to Saturday, September 29, 2018 (both days inclusive).
6. *Members are requested to convert shares held by them in physical form to electronic/demat form as SEBI vide notification dated 8th June, 2018 (effective from 180th day i.e. from 4th December, 2018) has provided that except in case of*

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transmission or transposition of securities request for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

7. Members holding shares in physical form are requested to notify change in address, if any, to the Company at its registered office or to the Registrar and Share Transfer Agent-Link Intime India Private Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR, New Delhi-110028. Members holding shares in electronic/demat form are requested to notify change in their address, if any, to their Depository Participant.
8. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report for 2017-2018 is being sent in the permitted mode.
9. Members holding shares in physical forms are requested to complete your KYC as mentioned in letter mail/to be mailed by RTA of the Company at your registered addresses with it.
10. Members are requested to kindly bring their copies of Annual Report along with duly filled admission slips for attending the meeting.
11. In case of joint holders are attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
12. Non-resident Indian shareholders are requested to inform the Registrar and Share transfer Agent immediately the change in the residential status on return to India for permanent settlement.
13. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representatives to attend and vote on its behalf at the meeting.
14. Pursuant to provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, the Company is providing members facility to exercise their right to vote on resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and business may be transacted through e-voting platforms provided by Link Intime India Private Limited.
15. The facility for voting through Ballot Paper shall also be made available at the meeting and members attending meeting who shall not already cast their vote by remote e-voting shall be able to exercise their right at meeting through Ballot Papers.
16. The member who will 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.

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17. The instructions for shareholders voting electronically are as under:
- i. The voting period begins on Wednesday, September 26, 2018 at 9:30 a. m. and ends on Friday, September 28, 2018 at 5.00 p. m. During this period shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, September 21, 2018 may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter.
 - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - iii. The shareholders should visit the e-voting system of LIIPL. Open web browser by typing <https://instavote.linkintime.co.in>
 - iv. Click on “Login” tab, available under 'Shareholders' section
 - v. Now Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
 - vi. Your User ID is Event No + Folio Number registered with the Company.
 - a. Shareholders holding shares in demat account with NSDL: Your USER ID is 8 Character DP ID followed by 8 digits client ID
 - b. Shareholders holding shares in demat account with CDSL: Your USER ID is 16 digits Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i. e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
 - vii. Your password details are given below:
If you are using e-voting system of LIIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or 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">• Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field.
DOB/DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none">• Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv).

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If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in> and/or voted on an earlier voting of any company then you can use your existing password to login ID.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

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

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- viii. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

- ix. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- x. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- xi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

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- xii. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.
- xiii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/Mutual Fund/Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian/Mutual Fund/Corporate Body' login for the Scrutinizer to verify the same.
- xiv. During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- xv. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- xvi. In case the shareholders have any queries or issues regarding e-voting, please click here or you may refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in> under Help section or write an email to insta.vote@linkintime.co.in or Call us :- Tel : 022 - 49186000.
- xvii. All the documents referred in Accompanying Notice and Explanatory Statements shall be open for inspection at the Registered Office of the Company during normal business hour (10:00 a. m. to 5:00 p. m.) on all working days, upto and including the date of the Annual General meeting of the Company.

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

Item Number-3

Pursuant to section 161 of the Companies Act, 2013 (the Act) Ms. Divya Agarwal was appointed as Additional Director by the Board effective from December 9, 2017 and holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with deposit of requisite amount as per provisions of Section 160 of the Act, proposing the candidature of Ms. Divya Agarwal for the office of Independent Director. She may be appointed as Independent Director as per provisions of section 149 read with schedule IV of the Act, for a period of consecutive period of 5 years effective from December 9, 2017. The Company has already received:

- a) her consent to act as Director in form DIR-2 as per Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014;
- b) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and

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- c) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Ms. Divya Agarwal, is a Chartered Accountant. The matter of her appointment as Additional Director was placed before the Nomination and Remuneration Committee and it had recommended her appointment.

The resolution seeks the approval of the members for the appointment of Ms. Divya Agarwal as an Independent Director of the Company for a period of 5 consecutive years effective December 9, 2017 as per provisions of section 149 read with schedule IV and other applicable provisions of the Act and rules made thereunder. She will not liable to retire by rotation.

Ms. Divya Agarwal fulfills the conditions specified in the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of as per Regulation 36 (3) of Listing regulations are given as follows:

Ms. Divya Agarwal, aged about 30 years, is Chartered Accountant. She was associated with Adidas for a period of two years. Ms. Divya Agarwal is proposed to be appointed as Independent Director for first term of 5 years effective from December 9, 2017. She will not be paid any remuneration except sitting fee, if decided by the Board. She is not holding any share in the Company. She is not related to any Director and Key Managerial Personnel and their relatives in the Company. She has not attended any meeting from the date of her appointment till March 31, 2018. She is neither Director in any other public Company nor Member/Chairperson of Committee of the Board of Public Limited Company.

None of the Directors, Key Managerial Personnel or their relatives, except Ms. Divya Agarwal is concerned or interested in the resolution.

The Board recommends ordinary resolution set out at number 3 of the Notice for your approval.

ItemNumber-4

Pursuant to section 161 of the Companies Act, 2013 (the Act) Ms. Noor Gupta was appointed as Additional Director by the Board effective from December 9, 2017 and holds office upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with deposit of requisite amount as per provisions of Section 160 of the Act, proposing the candidature of Ms. Noor Gupta for the office of Director in Promoter Category. She will liable to retire by rotation.

Details of as per Regulation 36 (3) of Listing regulations are given as follows:

Ms. Noor Gupta is proposed to be appointed as Director in Promoter Category. She has completed Masters in Entrepreneurship from City University of London, UK. She will not be paid any remuneration except sitting fee, for attending the meetings of the Board. She is not holding any share in the Company. She is daughter of Mr. Suneel Gupta-Managing Director and Dr. (Ms.) Sangeeta Gupta-Whole Time Director. She is sister of Mr. Abhinav Gupta-Whole Time Director. She is not related to any other Director and Key Managerial Personnel in the Company. She has not attended any meeting from the date of her appointment till March 31, 2018. She is neither Director in any other public Company nor Member/Chairperson of Committee of the Board of Public Limited Company. She is not holding any share the company as on date of this notice.

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None of the Directors, Key Managerial Personnel or their relatives, except as mentioned above, are concerned or interested in the resolution.

The Board recommends the ordinary resolution set forth in item number 4 for the approval of the members.

Item Number-5

Present term of Mr. Abhinav Gupta, Whole Time Director, will be completed on January 31, 2019. Pursuant to proviso of sub-section 2 of section 196 of the Companies Act, 2013, no appointment of Whole Time Director shall be made earlier than one year before expiry of his term. Present term of Whole Time Director will expire within less than one year. Therefore, it is proposed to appoint him for a period of 3 years effective from February 1, 2019 and fix his remuneration/terms and conditions as given in the resolution. The Nomination and Remuneration Committee, in its meeting held on August 13, 2018 has recommended his re-appointment and remuneration to the Board of Directors. The Board has accepted recommendation of Nomination and Remuneration Committee and approved re-appointment of Mr. Abhinav Gupta and fix his remuneration/terms and conditions, subject to your approval, in its meetings held on August 13, 2018. There is no change in the remuneration and terms and conditions of the Whole Time Director. The remuneration is in conformity with the provisions and requirements of section 196, 197 read with Schedule V of the Companies Act, 2013. Accordingly, no approval of the Central Government is required. The effective capital of the Company is more than Rs.15.00 Crores. The Company has not made any default in repayment of any debt or interest payable thereon for a continuous period of thirty days in the preceding financial year.

Information as per sub-clause iv of second proviso of clause-B of Section-II of Part-II of Schedule V of the Companies Act, 2013:

The Company was incorporated on January 21, 1984 and has already started in manufacturing of Terry Towels (Textile Sector). The Company has not entered into any foreign collaboration.

Mr. Abhinav Gupta, aged 27 years, Commerce Graduate from Boston University, USA is Director of the Company since 2009 and having good experience in Textile Industry. His term is for three years effective from February 1, 2019 and job profile as Whole Time Director of the Company is entrusted with substantial powers of management of the affairs of the Company and including Sales and Marketing of products of the Company particularly in USA. On the recommendation of Nomination and Remuneration Committee, subject to approval of the members by passing of special resolution, the Board has re-appointed him at a remuneration of Rs. 7,00,000 (presently drawing same remuneration). No recognition/awards have been provided to him by any organization/authority. He is suitable person for the post of the Whole Time Director of the Company considering his past experience and performance as Whole Time Director of the Company. The proposed remuneration is favorably comparable with the remuneration paid to managerial personnel in similar type of companies and is commensurate with the size of the Company and profile and position of Mr. Abhinav Gupta. He is relative of Mr. Suneel Gupta, Managing Director and Mrs. (Dr.) Sangeeta Gupta, Whole Time Director and Ms. Noor Gupta-Director. He is also concerned and interested financially in the Company as one of the shareholders. The earning of the Company is continuously increasing. But, remuneration payable to him exceeds the limit provided under section 197 of the Companies Act, 2013. Therefore, it is decided to pay remuneration as per Schedule V of the Act. The Company is continuously taking steps to improve working/financial position of the Company. To survive in the stiff competition prevailing in the industry and increase profit margin, the Company is implementing various cost reduction measures on operational and administrative front. The Company is also exploring the possibilities of increasing new service areas which may yield better

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performance of the Company. As stated above, the Company is in Textile industry and, therefore, it is not possible to quantify the profits in measurable terms due to the fact that the performance of the Company depends largely upon other uncontrollable factors. However, in view of various steps taken/to be taken as mentioned above, the Company expects far better results in future. He has attended 2 (Two) Meetings of the Board. He is neither Director in any other public limited company nor Member/Chairman of any Committee of the Board of any public limited company. None of the Directors, Key Managerial Personnel and their relatives except Mr. Abhinav Gupta, Whole Time Director, holding 11.03% paid up equity capital, Mr. Suneel Gupta, Managing Director, holding 32.22% paid up equity capital, Mrs. Sangeeta Gupta, Whole Time Director, holding 24.07% paid up equity capital and Ms. Noor Gupta, Director are interested in the resolution.

The Board recommends the special resolution set forth in item number 5 for the approval of the members.

Item Number-6

To augment long term resources of the Company for to support the expansion of business, general corporate purposes, working capital requirements and repayment of existing loans etc., your Directors propose to infuse funds beyond the existing authorized share capital. Thus, it is necessary to increase the Authorized Share Capital of the Company and also to amend Capital Clause V of Memorandum of Association of the Company. Present Authorized Capital of the Company is Rs.107,500,000 (Rupees Ten Crore Seventy Five Lakh Only) divided into 10,750,000 (One Crore Seven Lakh Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each. After your approval it will increase to Rs.127,500,000 (Rupees Twelve Crore Seventy Five Lakh) divided into 12,750,000 (One Crore Twenty Seven Lakh Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten) each ranking pari-passu in all the respect with the existing equity shares of the Company. The provisions of Sections 61(1) (a) and 64(1) (a) the Companies Act, 2013 requires the Company to seek the approval of the Members for increase in the Authorized Share Capital and for the alteration of Capital Clause V of the Memorandum of Association of the Company and, accordingly, the Board recommends the relevant resolution for the approval of the Members. None of the Directors of the Company or key managerial personnel or their relatives is, in any way, concerned or interested in the resolution except Promoter Directors holding shares in the Company as shares may be allotted to them.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

Item Number-7 and 8

The Special Resolutions contained in the Notice, have been proposed pursuant to the provisions of Sections 42, 62 of the Companies Act, 2013 read with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), to issue and allot upto 10,00,000 Fully Convertible Warrants ("Warrants") and upto 10,00,000 Equity Shares of Rs.10/- each to the persons belonging to Promoter Category. The said proposal has been considered and approved by the Board in their meeting held August 27, 2018. The offer for the proposed allotments shall be made by way of a common offer letter to be issued to the proposed allottees. The proposed transaction with the Proposed Allottee and the Proposed Warrant Allottee is subject to the receipt of customary conditions including receipt of shareholders' approval.

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The details of the issue and other particulars as required in terms of Section 42 of the Companies Act 2013 and Regulation 73 of the SEBI ICDR Regulations and other applicable statutes in relation to the proposed Special Resolution are given hereunder:

- A. The Objects of the issue through preferential offer:
The Company requires infusion of funds to augment the funding needs of the Company viz., to support the expansion of business and for general corporate purposes and working capital requirements and repayment of existing loans etc. Accordingly, in order to finance the said fund requirement, the Company proposes to issue and allot Equity Shares and Warrants on Preferential basis.
- B. The proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer:
The proposal of the promoters, directors or key management personnel of the issuer to subscribe to the offer is as follows:

Serial Number	Name of the proposed Allottee(s)	Number of Equity Shares proposed to be issued	Number of Warrants proposed to be issued	Category
1	Suneel Kumar Gupta	400,000	400,000	Promoter and Managing Director
2.	Sangeeta Gupta	200,000	200,000	Promoter and Whole Time Director
3.	Abhinav Gupta	200,000	200,000	Promoter and Whole time Director
4.	*Noor Gupta	200,000	200,000	Promoter and Director
Total		1,000,000	1,000,000	

*immediate relative of Promoters

No such warrants or equity are being offered to any other Directors/ Key Management Personnel of the Company.

- A. The shareholding pattern of the issuer Company before and after the preferential issue;
The shareholding pattern of the Company given the present position as on Friday, August 24, 2018 before and after the proposed preferential issue to promoters is likely to be as follows:

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Sl. No	Category of Shareholder	Pre-Issue Equity Holding (As on)		No. of Equity shares to be allotted	Post Issue Shareholding Presuming allotment of equity shares)#		No of Warrants	Post-Issue Shareholding after allotment of Equity (Presuming the Conversion of Warrants)#	
		No. of Shares	%		No. of Shares	%		No. of Shares	%
A	Promoters and Promoter Group								
	1 (a) Indian Promoters	7,234,013	67.32	1,000,000	8,234,013	70.10	1,000,000	9,234,013	72.45
	(b) Foreign Promoters	0	0.00	0	0	0.00	0	0	0.00
	Sub Total	7,234,013	67.32	1,000,000	8,234,013	70.10	1,000,000	9,234,013	72.45
B	Non Promoter								
	2. Institutional Investors								
	a) Mutual Funds/UTI	3,080	0.03	0	3,080	0.03	0	3,080	0.02
	b) Financial Institutions/Banks	0	0.00	0	0	0.00	0	0	0.00
	c) Insurance Companies/ Govt Institutions	0	0.00	0	0	0.00	0	0	0.00
	d) Foreign Institutional Investors	0	0.00	0	0	0.00	0	0	0.00
	e) Qualified Foreign Investors	0	0.00	0	0	0.00	0	0	0.00
	f) Venture Capital Funds	0	0.00	0	0	0.00	0	0	0.00
	Sub Total	3,080	0.03	0	3,080	0.03	0	3,080	0.02
	3. Others								
a) Bodies Corporate	29,880	0.28	0	29,880	0.25	0	29,880	0.23	
b) Individual Holdings	3,352,904	31.19	0	3,352,904	28.55	0	3,352,904	26.31	
c) NBFCs registered with RBI	21,280	0.20	0	21,280	0.18	0	21,280	0.17	
d) Foreign Companies	0	0.00	0	0	0.00	0	0	0.00	
e) Non-Resident Individuals	3,833	0.04	0	3,833	0.03	0	3,833	0.03	
f) Clearing Member	23,495	0.22	0	23,495	0.20	0	23,495	0.18	

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	g) Hindu Undivided Families	37,310	0.35	0	37,310	0.32	0	37,310	0.29
	h) Directors/ Relatives/ PAC	0	0.00	0	0	0.00	0	0	0.00
	i) Trust/Other	40,054	0.37	0	40,054	0.34	0	40,054	0.31
	Total Public	3,511,836	32.68	0	3,511,836	29.90	0	3,511,836	27.55
	Total	10,745,849	100.00	1,000,000	11,745,849	100.00	1,000,000	12,745,849	100.00

#Post shareholding structure may change depending upon any other corporate action in between or upon changes to the currency exchange rate.

D. Proposed time within which allotment will be completed:

In terms of Regulation 74(1) of the SEBI ICDR Regulations, preferential allotment to Proposed Allottees and Proposed Warrant Allottee pursuant to the special resolution will be completed within a period of 15 (fifteen) days from the date of passing of special resolution at item nos. 7 and 8.

Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 (fifteen) days from the date of such approval or within such further period as may be prescribed or allowed by SEBI, stock exchange(s) or other concerned authorities.

E. Securities to be issued, particulars of the proposed allottees, the identity of the natural persons who are the ultimate beneficial owners of the equity shares proposed to be allotted and/or who ultimately control the proposed allottees and the percentage of post preferential issue capital that may be held by them:

S. No	Name of the Proposed Allottee	Category	Present Pre Issue Shareholding		Proposed No. of Equity Shares Allotted	Proposed No. of Warrants Allotted	Post Issue Shareholding (Presuming allotment of equity shares and full conversion of Warrants)#		Ultimate Beneficial Owners
			Pre-Issue Holding	% Total Equity Capital			Post-Issue Holding	% Total Equity Capital	
1	Suneel Gupta	Promoter	3,461,841	32.22	400,000	400,000	4,261,841	33.44	N.A.
2	Sangeeta Gupta	Promoter	2,586,172	24.07	200,000	200,000	2,986,172	23.43	N.A.
3	Abhinav Gupta	Promoter	1,186,000	11.04	200,000	200,000	1,586,000	12.44	N.A.
4.	Noor Gupta	Promoter	0	0.00	200,000	200,000	400,000	3.14	N.A.

the post shareholding structure may change depending upon any other corporate action in between.

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- F. Consequential Changes in the Voting Rights and Change in Management:
As a result of the proposed preferential issue of Equity Shares and Warrants and upon conversion of the Warrants, there will be no change in the control or management of the Company. However, voting rights will change in tandem with the shareholding pattern.
- G. Lock in Requirement:
1. The Equity Shares to be allotted on a preferential basis to the persons belonging to Promoter Group shall be subject to lock-in for a period of 3 (three) year from the date of trading approval for such Equity Shares in accordance with Regulation 78 of the SEBI ICDR Regulations.
 2. The Equity Shares to be allotted on a preferential basis to entities belonging to the Promoter Group, pursuant to exercise of options against each Warrant, shall be subject to 'lock-in' for a period of 3 (three) year from the date of trading approval for such Equity Shares in accordance with Regulation 78 of the SEBI ICDR Regulations.
 3. The entire pre-preferential allotment shareholding, if any, of the proposed allottees, shall be locked-in from the Relevant Date up to a period of 6 (six) months from the date of trading approval as per Regulation 78(6) of the SEBI ICDR Regulations.
- H. Basis/Justification for Issue Price and Relevant Date:
In terms of Regulation 76 of SEBI ICDR Regulations, the Relevant Date has been reckoned as Thursday, August 30, 2018, for the purpose of computation of issue price of the said equity shares and Warrants.

Since, the Equity Shares of the Company are listed on BSE Limited (BSE) and are infrequently traded, accordingly the Company has obtained a valuation report from Ahuja Sethi Vansil & Associates, Chartered Accountants, in terms of Regulation 76A of the SEBI ICDR Regulations, the Minimum Issue Price for proposed issue of warrant and equity shares has been computed as Rs. 21.95 /-.

A copy of the Valuation report issued by Ahuja Sethi Vansil & Associates, Chartered Accountants shall be available for inspection at the registered office of the Company on all working days from 10:00 a.m. to 5:00 p.m. (office hours) till the conclusion of this meeting and shall also be laid before the members at the meeting.

The price per share has been determined in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations"). The shares of the company being infrequently traded, the price is determined taking into account valuation parameters including book value, comparable trading multiple etc. and a certificate from independent Chartered Accountant regarding compliance of (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("ICDR Regulations") is obtained;

Therefore, in terms of Regulation 76A of the SEBI ICDR Regulations, the Issue Price for proposed issue of warrant and equity shares has been decided as Rs. 22 /-.

- I. Re-computation of Issue Price:
As specified under the SEBI ICDR Regulations, wherever it is required, the Company shall re-compute / adjust the issue price of the Equity Shares to be allotted under the preferential issue in accordance with the SEBI ICDR Regulations. Further, if the amount payable on account of the re-computation of issue price is not paid by the proposed allottee(s) within the

ASHNOOR TEXTILE MILLS LIMITED

time stipulated under the SEBI ICDR Regulations, the Equity Shares allotted to the proposed allottee(s) shall continue to be locked-in till the time such amounts are paid by them.

J. Auditor's Certificate:

The certificate from Messrs Agarwal & Gupta, Chartered Accountants, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements of Chapter VII of the SEBI ICDR Regulations shall be available for inspection at the registered office of the Company during 10:00 a.m. to 5:00 p.m. (office hours) up to the date of declaration of results and shall also be placed before the shareholders at the this General Meeting.

K. Disclosure with regard to the names of issuer, its promoter or any of its directors not appearing in the list of willful defaulters as issued by RBI.

The Company, its promoters and its directors are not categorized as willful defaulter(s) by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India.

L. Report of registered valuer:

No report of registered valuer is required for the offer, issue and allotment of the Equity Shares and Equity Shares arising on exercise of the Warrants under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debenture) Rules, 2014, as amended.

M. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

Directors/KMP or their relatives are interested in this resolution to the extent of shares/warrants offered to them.

The Board of Directors recommends the special resolutions as set out in item numbers 7 and 8 of this notice for the issue of the Warrants and the Equity Shares, on a preferential basis, to the persons belonging to the promoter category.

By the order of Board

Sd-

Suneel Gupta
Managing Director
DIN-00052084

Registered Office:
Village Khandasa, Behrampur Road
Gurgaon, Haryana-122001
CIN-L17226HR1984PLCO33384
E-mail: atml_delhi@yahoo.com
Phone: 0124 4809756
Web:ashnoortex.com

Place: Gurugram
Date: August 27, 2018

ASHNOOR TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 35th Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on March 31, 2018.

FINANCIAL PERFORMANCE AND OUTLOOK

(Rupees in Lakh)

PARTICULAR	2017-2018	2016-2017
Revenue from operations	8,832.83	8,151.06
Other Income	168.02	89.37
Total Income	9,000.85	8,240.43
Gross Profit prior to financial overheads and depreciation	829.84	1,041.08
Financial Overheads	275.99	211.42
Depreciation	222.79	262.73
Profit before Tax Exceptional and ExtraOrdinary Items	331.06	566.93
Exceptional and Extra-Ordinary Items	37.28	(-)142.99
Profit before Tax	368.34	423.94
IncomeTax – Current Years	105.99	87.51
Deferred Tax	44.41	45.18
Profit after Tax available for appropriation	217.94	291.25
Basic Earnings Per Share	2.03	2.71

During the year under review, revenue from operations increased by 8.36% from Rs. 8,151.06 lakh in previous year to Rs. 8832.83 lakh in current year. However, due to higher cost of operations and financial overheads, profits dipped by 25.17% from Rs. 291.25 lakh in the previous year to Rs.217.94 lakh in the current year. The detailed discussion on the state of Company's affairs and the performance of operations of the Company is given in the annual report under "Management Discussion and Analysis Report". There was not any change in the nature of business of the company. Further, no material changes/events have occurred after balance sheet until date of this report.

TRANSFER TO RESERVE

The Board of Directors of the company has decided not to transfer any amount to specific reserves and entire profit after tax has carried over to the Balance Sheet as surplus.

DIVIDEND

The Board of Directors does not recommend any dividend for the year under review.

FIXED DEPOSITS

During the year under review, your Company has neither invited nor accepted/renewed any fixed deposit. There were no fixed deposits outstanding or unclaimed as on March 31, 2018.

ASHNOOR TEXTILE MILLS LIMITED

CHANGE IN NATURE OF BUSINESS

During the year, there was no change in the nature of business of the Company. Further, no material changes/events or commitments occurred after the end of financial year and till the date of this report.

SHARE CAPITAL

During the year under review, there is no change in share capital of the Company. The Company has neither issued shares with differential voting rights nor granted any employee stock options or sweat equity shares. In view to infuse more funds in the capital required to support the expansion of business, generate corporate purposes working capital and repayment of existing loans etc. your Directors have planned to issue 1,000,000 equity shares and 1,000,000 convertible warrants on preferential basis to the promoters and recommend resolutions for both the issues for your approval.

Due to proposed infusion of funds the paid-up equity share capital will exceed the existing authorized share capital. Thus, it is necessary to increase the Authorized Share Capital of the Company by Rupees two crore by altering Clause V of Memorandum of Association of the Company. Your Directors also recommend the resolution in this respect for your approval

DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Mr. Suneel Gupta —Managing Director
- Mr. Girish Singh Adhikari — Chief Financial Officer
- Ms. Sanjana Tandon — Company Secretary

DIRECTORS

In accordance with provisions of the Companies Act, 2013, Mrs. (Dr.) Sangeeta Gupta (DIN-00052121), Whole Time Director, will retire by rotation and, being eligible, offer herself for re-appointment.

During the year, Ms. Noor Gupta (DIN: 03611790) and Ms. Divya Agarwal (DIN: 08016384) were appointed as Additional Directors effective from December 9, 2017 in Promoter and Independent category respectively. As per provisions of section 161 of the Companies Act, 2013, both hold office of Director upto conclusion of ensuing Annual General Meeting. Your Directors recommend appointment of Ms. Noor Gupta in Promoter category. They also recommend appointment of Ms. Divya Agarwal as Independent Director for a period of five years effective from December 9, 2017.

Mr. Sanjay Arora (DIN:07815311) was appointed by the Board as Additional Director in Independent Category, effective from June 1, 2017. Further, he was appointed as Independent Director by the shareholders in Annual General Meeting held on September 25, 2017 effective from June 1, 2017 for a period of 5 years.

Mr. Inder Mohan Agarwal (DIN: 01124215), Independent Director, resigned effective from June 1, 2017. The Board places on record its appreciation for assistance and guidance provided by him during his tenure as Director of the Company.

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Three years term of Mr. Abhinav Gupta (DIN: 02766867), Whole-Time Director, will complete on January 31, 2019. The Board of Directors on the recommendation Nomination and Remuneration Committee has re-appointed Mr. Abhinav Gupta as Whole-time Director, of the Company for a period of 3 (three) years with effect from February 1, 2019 subject to your approval and recommend his appointment to you by passing special resolution.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given declaration, confirming that they meet the criteria of independence as prescribed in the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter in report be called as "the Listing Regulations").

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

All the promoter Directors are relatives within the meaning of the term 'relative' as per section 2(77) of the Companies Act, 2013. None of the remaining Directors are related to each other.

AUDITORS AND AUDITORS' REPORT

Agarwal & Gupta, Chartered Accountants, New Delhi (Firm Registration Number-017621C), were appointed as Statutory Auditors of the Company for a period of five years by the shareholders in the Annual General Meeting held on September 25, 2017 and will continue as Statutory Auditors of the Company. Audit Report given by them on Financial Statements for the financial year ended March 31, 2018 forms part of the Annual Report.

The Report of the Auditors on the Financial Statements including relevant rules on the accounts for the financial year ended March 31, 2018 contains no qualification, reservation, disclaimer or adverse remark. The report is self-explanatory and do not call for any further comments. Auditors has not reported any matter under section 143(12) of the Act and, therefore, no detail is required to disclose in this report.

COST AUDIT

The provisions relating to Cost Audit are not applicable to the Company.

INTERNAL AUDITORS

As per requirements of section 138 of the Act, the Company has re-appointed Naveen Brahma Nand & Company, Chartered Accountants, as Internal Auditors for the financial year 2018-2019.

SECRETARIAL AUDITORS

The Board has re-appointed Anil Arora & Associates, Company Secretaries, New Delhi as Secretarial Auditors for the financial year 2018-2019 as per provisions of section 204 of the Companies Act, 2013. The report of Secretarial Auditors for the financial year 2017-2018 is annexed as 'Annexure-1'.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

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

PERFORMANCE EVALUATION OF BOARD OF DIRECTOR'S

In terms of provisions the Companies Act and the Listing Regulations the Board has carried out annual evaluation of its own performance (including independent Directors) and that of its Committees as well as performance of all the Directors individually.

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The Independent Directors have evaluated performance of the Chairman, non-Independent Directors and the entire Board as a whole for the financial year 2018 in their separate meeting. Evaluation has been made as per criteria provided by the Nomination and Remunerations Committee/ as provided in the Companies Act 2013 in the Listing Regulations.

The details of program held for familiarization of the Independent Directors with the Company, informing them about their roles, rights, responsibilities of independent Directors in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are available on the website of the Company at the web link:

<http://ashnoortex.com/wp-content/uploads/2016/06/Familiarization-Policy.pdf>

CODE OF CONDUCT

The Company has laid down a code of conduct for all members of the Board of Directors including Independent Directors and Senior Management of the Company. The Board members including independent directors and senior management personnel of the Company have affirmed compliance with the code of conduct and Managing Director has given a declaration affirming compliance with them. The Code of Conduct is available at website of the Company at:

<http://ashnoortex.com/wp-content/uploads/2016/06/Code-of-Conduct-for-Board-Members-Senior-Management.pdf>. The Board has prepared plans for orderly succession for appointment to the Board of Directors and the Senior Management.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, in terms of section 134(3)(c) of the Companies Act, 2013, confirm that:

- a. in preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with the explanations relating to material departures, if any;
- b. the directors had selected such appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2018 and of the profit of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts for the financial year ended March 31, 2018 on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The internal auditors conduct periodic audit to ensure that the Company's established policies and procedures are followed. The Audit Committee reviews the internal controls and financial reporting issues with internal and statutory auditors.

ASHNOOR TEXTILE MILLS LIMITED

NUMBER OF BOARD MEETINGS

During the financial year 2017-2018, seven (7) meetings of the Board of Directors of the Company were held. The details of these meetings including attendance of Directors in these meetings are given in Corporate Governance Report.

CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance Report as prescribed under the Listing Regulations.

A detailed report on Corporate Governance along with Management Discussion and Analysis Report are given in Annual Report. A certificate issued by the Statutory Auditors on Corporate Governance is also annexed with detailed report on Corporate Governance.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year under review, the Company had not entered into any contract/arrangement/transaction with related parties, which could be considered material in accordance with the policy of the Company on related party transactions.

The Related Party Transactions Policy as approved by the Board is available on Company's website at <http://ashnoortex.com/wp-content/uploads/2016/06/Policy-on-Related-Party-Transactions.pdf>

BUSINESS RISK MANAGEMENT

The Company has laid down procedure of integrated business risk management to review, assess and control/minimize significant business risk. The Audit Committee is used to review the area of financial risk and control. During the year, the Audit Committee/Board has not found any element of risk and control. The Company has not identified any element of risk, which may threaten the existence of the Company.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2017-18 is annexed to this report as 'Annexure-2'.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant, material orders passed against the Company by the regulators or courts, which would affect the going concern status of the Company and its future operations.

INTERNAL FINANCIAL CONTROL

Details have been provided under Management Discussion and Analysis Report.

AUDIT COMMITTEE

The Company has constituted an Audit Committee, which comprised of Mr. Piyush Gupta-Chairman, Mr. Anil Aggarwal-Member and Mr. Suneel Gupta-member. More details about the Committee have been given in Corporate Governance Report. All the recommendations of Audit Committee have been accepted by the Board.

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NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company as on March 31, 2018, has Mr. Piyush Gupta as Chairman, Mr. Anil Aggarwal-member and Mr. Sanjay Arora-Member. More details about the Committee have been given in Corporate Governance Report. All the recommendations of Audit Committee have been accepted by the Board. The Nomination and Remuneration Policy as approved by the Board is uploaded on Company's website at the

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in 'Annexure-3' to this Report.

VIGIL MECHANISM

In view of potential risk of fraud and corruption due to rapid growth, the Company has devised a Vigil Mechanism in the form Whistle Blower Policy as per provisions of the Companies Act, 2013 and the Listing Regulations. Any genuine concerns can be freely reported to the Chairman of the Audit Committee by any Director or employee of the Company. The Company also provides adequate safeguards against victimization of persons who use such mechanism. To meet these objectives the Board has approved a Whistle Blower Policy of the Company, which is available on the Company's website at the weblink:<http://ashnoortex.com/wp-content/uploads/2016/06/Vigil-Mechanism.pdf>

PREVENTION OF INSIDER TRADING

In view to regulate trading and ensure transparency in trading of securities of the Company by the Directors and designated employees the Company has framed a Code of Fair Disclosure as per provisions of the Listing Regulations. The code is available on the Company's website at the web-<http://ashnoortex.com/wp-content/uploads/2016/06/Code-of-Fair-Disclosure.pdf>

MANAGERIAL REMUNERATION

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ASHNOOR TEXTILE MILLS LIMITED

Sl. No	Name of Director/KMP	Designation	Remuneration during the Year	Increases in Remuneration during the Year	Ratio of Remuneration of each Director to median remuneration
1.	Suneel Gupta	Managing Director	8,400,000	0	48.53%
2.	Sangeeta Gupta	Whole Time Director	8,400,000	0	48.53%
3.	Abhinav Gupta	Whole Time Director	8,100,000	68.75%	47.53%
4.	Piyush Gupta	Non-Executive Independent Director	0	0	0
5.	Anil Aggarwal	Non-Executive Independent Director	0	0	0
6.	Sanjay Arora*	Non-Executive Independent Director	0	0	0
7.	Divya Agarwal**	Non-Executive Independent Director	0	0	0
8.	Noor Gupta**	Non-Executive Director	0	0	0
9.	Girish Singh Adhikari	CFO	402,640	22.01%	0
10.	Sanjana Tandon***	Company Secretary	330,000	0	0

*Appointed w.e.f. June 1, 2017

** Appointed w.e.f. December 9, 2017

*** Appointment effective from May 1, 2017

No Commission was paid to Managing Director and Whole Time Director from the Company. The Company was having 239 permanent employees on the rolls of the Company as on March 31, 2018. There was 8% increase in the median remuneration of employees in the financial year.

The Company does not have any employee drawing remuneration as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS

During the year, the Company has not given any Loan and Corporate Guarantee, which covers under section 186 of the Act. The Company has made investment as given in note number 3 in Balance Sheet.

COMPLAINT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has not received any complaint under the captioned Act in financial year 2017-2018. Therefore, no complaint was pending for redressal on March 31, 2018.

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ACKNOWLEDGMENT

Your Directors express their gratitude and thanks to Banks, Central and State Government Authorities, Stock Exchange, Regulatory Authorities and stakeholders for their continued co-operation and support to the Company and also express their gratitude and thanks to Shareholders, Customers, Suppliers and other business associates for their continued co-operation and support. The Board also places on record its appreciation for the dedicated efforts put on by the employees of the Company at all levels.

By the order of the Board

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Place: Gurugram
Date: August 27, 2018

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Annexure-1

FORM NUMBER- MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

The Members,
Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
Gurugram, Haryana-122001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ashnoor Textile Mills Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliance and expressing our 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 the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing (Not applicable as the Company has not received FDI, ECB nor made any Overseas Direct Investment during audit period under review); and
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 {Not applicable as the Company has not issued any securities during audit period};
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 {Not applicable as the Company has not granted share based benefits to its employees during the audit period};

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- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 {Not applicable as the Company has issued any debt securities during audit period};
 - f) The Securities and Exchange Board of India (Registrar 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 Registrar to Issue and Share Transfer Agent during the audit period under review);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 {Not applicable as the Company has not get delisted its equity shares from any stock exchange during the period under review}; and
 - h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 {Not applicable as the Company has not bought back any of its securities during audit period under review};
6. We have also examined compliance with following Act and rules made under these Act, Orders, Rules are specifically applicable to the Company:
- a) The Textile Committee Act, 1963;
 - b) Central Silk Board Act, 1948;
 - c) The Handloom Act, 1985;
 - d) Cotton Central Order, 1986;
 - e) The Textile Undertaking Act, 1995

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board and Committee meetings are carried out unanimously and views of dissenting members, if any, are captured and recorded as part of the minutes of meetings of the Board or Committee, as the case may be.

We further report that the compliance mechanism established by the Company and on the basis of certificates issued by the departmental heads of the Company taken on record by the Board of Directors at their meetings and report of internal Auditors of the Company. We are of the opinion

ASHNOOR TEXTILE MILLS LIMITED

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

We further report that during the audit period no major action having a bearing on the Company's affairs in pursuance the above referred laws rules, regulations, guidelines and standards, orders etc. have taken place.

For Anil Arora & Associates
Company Secretaries
Sd/-

Anil Kumar Arora
Proprietor

FCS Number: 5695

CP Number: 4775

Place: New Delhi

Date: August 27, 2018

PS: This report is to be read with our letter of even dated which is annexed as Annexure- "A" and forms integral part of this report.

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

The Members,
Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
Gurgaon, Haryana-122001

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications we redone on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide are as on able basis for our opinion.
3. We have no verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and the applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limits do the verification of procedures on test basis.
6. 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 as conducted the affairs of the company.

For Anil Arora & Associates
Company Secretaries
Sd/-

Anil Kumar Arora
Proprietor

FCS Number: 5695

CP Number: 4775

Place: New Delhi

Date: August 27, 2018

ASHNOOR TEXTILE MILLS LIMITED

Annexure-2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN:	L17226HR1984PLC033384
(ii)	Registration Date	January 21, 1984
(iii)	Name of Company	Ashnoor Textile Mills Limited
(iv)	Category/Sub-Category of the Company	Company Limited by shares
(v)	Address of the Registered Office and contract details	Beharampur Road, Village Khandsa, Gurgaon, Haryana-122001 Phone Number: 0124 4809756 Email ID: atml_delhi@yahoo.com Web: ashnoortex.com
(vi)	Whether listed Company	Yes
(vii)	Name, address and contact details of Registrar and Transfer Agent	Link Intime India Private Limited 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina New Delhi-110028 Phone: 011 4141 0592, 93, 94 Telefax: 011 41410591 E Mail: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Terry Towel	13111	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
Not Applicable					

ASHNOOR TEXTILE MILLS LIMITED

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

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [01-April-2017]				No. of Shares held at the end of the year [31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7,234,013	0.00	7,234,013	67.32	7,234,013	0.00	7,234,013	67.32	0.00
b) Central Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) State Governments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total shareholding of Promoters (A)(1)	7,234,013	0.00	7,234,013	67.32	7,234,013	0.00	7,234,013	67.32	0.00
(2) Foreign									
a) NRI-Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Others-Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total shareholding of Promoters (A)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	7,234,013	0.00	7,234,013	67.32	7,234,013	0.00	7,234,013	67.32	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0.00	3,080	3,080	0.03	0.00	3,080	3,080	0.03	0.00
b) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Central Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Governments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g) FIIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(1)	0.00	3,080	3,080	0.03	0.00	3,080	3,080	0.03	0.00
2. Non-Institutions									
Bodies Corporate									
i) Indian	33,999	21,020	55,019	0.51	34,816	17,940	52,756	0.49	(0.02)
i) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 Lakh	563,553	2,677,820	3,241,373	30.16	678,601	2,597,702	3,276,303	30.49	0.33
ii) Individual shareholders holding nominal share capital	128,301	0.00	128,301	1.19	86,349	0.00	86,349	0.80	(0.39)

ASHNOOR TEXTILE MILLS LIMITED

i) Clearing members	22,199	0.00	22,199	0.21	16002	0.00	16002	0.15	(0.06)
a) Others (specify)									
i. Non- Resident Indians (Repatriation Basis) and Foreigners	2, 663	14,168	16,831	0.16	3043	14168	1 7211	0.16	0.00
ii. Trust	25,886	0.00	25,886	0.24	25,886	0.00	25,886	0.24	0.00
iii. HUF	19,147	0.00	19,147	0.18	34,249	0.00	34,249	0.32	0.14
Sub-total (B)(2)	795,748	2,713,008	3,508,756	32.65	878,946	2,629,810	3,508,756	32.65	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	795,748	2,716,088	3,511,836	32.68	878,946	2,632,890	3,511,836	32.68	0.00
A. Shares held by Custodian for GDRs and ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	8,029,761	2,716,088	10,745,849	100	8,112,959	2,632,890	10,745,849	100	0.00

B. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		Number of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	Number of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mrs. Sangeeta Gupta	2,586,172	24.07	0.00	2,586,172	24.07	0.00	0.00
2.	Mr. Suneel Gupta	3,461,841	32.22	0.00	3,461,841	32.22	0.00	0.00
3.	Mr. Abhinav Gupta	1,186,000	11.03	0.00	1,186,000	11.03	0.00	0.00
	Total	7,234,013	67.32	0.00	7,234,013	67.32	0.00	0.00

C. Change in Promoters' Shareholding

Date	Increase or Decrease (Reason)	Shareholding at the beginning of the year		Increase or Decrease in number of shares	Cumulative shareholding during the year	
		Number of Shares	% of total shares of the Company		Number of shares	% of total shares of the Company
1. Suneel Gupta						
01.04. 2017		3,461,841	32.22			
Increase/Decrease				0		
31.03. 2018					3,461,841	32.22
2. Sangeeta Gupta						
01.04. 2017		2,586,172	24.07			
Increase/Decrease				0		
31.03. 2018					2,586,172	24.07
3. Abhinav Gupta						
01.04.2017		1,186,000	11.03			
Increase/Decrease				0		
31.03.2018					1,186,000	11.03

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

Date	Increase or Decrease (Reason)	Shareholding at the beginning of the year		Increase or Decrease in number of shares	Cumulative shareholding during the year	
		Number of Shares	% of total shares of the Company		Number of shares	% of total shares of the Company
1. KailashbenAshokkumar Patel						
01.04.2017		56946	0.53			
07.04.2017	Increase/Transfer			2054	59000	0.55
14.04.2017	Increase/Transfer			1000	60000	0.56
18.08.2017	Decrease/Transfer			1280	58720	0.55
01.09.2017	Decrease/Transfer			10	58710	0.55
10.11.2017	Decrease/Transfer			710	58000	0.55
17.11.2017	Decrease/Transfer			2000	56000	0.52
01.12.2017	Decrease/Transfer			6000	50000	0.47
08.12.2017	Decrease/Transfer			4000	46000	0.43
15.12.2017	Decrease/Transfer			4000	42000	0.39
22.12.2017	Decrease/Transfer			551	41449	0.39
12.01.2018	Decrease/Transfer			48	41401	0.39
19.01.2018	Decrease/Transfer			401	41000	0.38
16.02.2018	Decrease/Transfer			500	40500	0.38
31.03.2018					40500	0.38
2. Sandeep Agarwal						
01.04.2017		45,849	0.43			
31.03.2018					45,849	0.43
3. KokilabenNareshbhai Shah						
01.04.2017		25506	0.24			
21.04.2017	Increase/Transfer			18	25,524	0.24
28.04.2017	Increase/Transfer			10	25534	0.24
05.05.2017	Increase/Transfer			115	25649	0.24
19.05.2017	Increase/Transfer			102	25751	0.24
26.05.2017	Increase/Transfer			260	26011	0.24
16.06.2017	Decrease/Transfer			2226	23785	0.22
23.06.2017	Decrease/Transfer			2917	20868	0.19
30.06.2017	Decrease/Transfer			826	20042	0.19
07.07.2017	Decrease/Transfer			3050	16992	0.16
27.10.2017	Decrease/Transfer			854	16138	0.15
03.11.2017	Decrease/Transfer			204	15934	0.15
10.11.2017	Decrease/Transfer			2500	13434	0.13
17.11.2017	Decrease/Transfer			1330	12104	0.13
08.12.2017	Decrease/Transfer			3000	9104	0.08
15.12.2017	Decrease/Transfer			5005	4099	0.04
22.12.2017	Increase/Transfer			1562	5661	0.05
09.03.2018	Decrease/Transfer			1265	4396	0.41
16.03.2018	Decrease/Transfer			1001	3395	0.32
23.03.2018	Increase/Transfer			2	3397	0.32
31.03.2018					3397	0.32

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4. Custodian A/C FFSL						
01.04.2017		24,766	0.23			
31.03. 2018					24,766	0.23
5. Andhra Bank Financial Services Limited						
01.04.2017		21,280	0.20			
31.03. 2018					21,280	0.20
6. Motilal Oswal Securities Limited						
01.04.2017		20000	0.19			
09.06.2017	Increase/Transfer			140	20,140	0.19
16.06.2017	Decrease/Transfer			140	20,000	0.19
21.07.2017	Increase/Transfer			40	20,040	0.19
28.07.2017	Decrease/Transfer			40	20,000	0.19
11.08.2017	Increase/Transfer			500	20,500	0.19
18.08.2017	Decrease/Transfer			500	20,000	0.19
01.09.2017	Increase/Transfer			250	20,250	0.19
08.09.2017	Decrease/Transfer			250	20,000	0.19
22.09.2017	Increase/Transfer			1,220	21,220	0.20
29.09.2017	Decrease/Transfer			1,220	20,000	0.19
20.10.2017	Increase/Transfer			210	20,210	0.19
27.10.2017	Increase/Transfer			350	20,560	0.19
03.11.2017	Decrease/Transfer			19,956	604	0.01
10.11.2017	Decrease/Transfer			604	0	0.00
17.11.2017	Increase/Transfer			190	190	0.00
24.11.2017	Decrease/Transfer			190	0	0.00
15.12.2017	Increase/Transfer			1,009	1009	0.01
19.01.2018	Decrease/Transfer			1,009	0	0
26.01.2018	Increase/Transfer			50	50	0.00
31.03. 2018					50	0.00
7. Munni Lal Maheshwari						
01.04.2017		18960	0.18			
31.03.2018					18960	0.18
8. Naresh B Shah						
01.04.2017		17219	0.16			
28.04.2017	Increase/Transfer			5	17224	0.16
12.05.2017	Increase/Transfer			2	17226	0.16
19.05.2017	Increase/Transfer			2	17228	0.16
26.05.2017	Increase/Transfer			351	17579	0.16
02.06.2017	Decrease/Transfer			1811	15768	0.15
09.06.2017	Decrease/Transfer			3904	11864	0.11
16.06.2017	Decrease/Transfer			498	11366	0.10
23.06.2017	Increase/Transfer			2	11368	0.10
30.06.2017	Increase/Transfer			14	11382	0.10
07.07.2017	Increase/Transfer			178	11560	0.11
14.07.2017	Decrease/Transfer			494	11066	0.10
18.08.2017	Decrease/Transfer			300	10766	0.10
01.09.2017	Decrease/Transfer			1090	9676	0.09
06.10.2017	Decrease/Transfer			9676	0	0.00

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01.09.2017	Decrease/Transfer			1090	9676	0.09
06.10.2017	Decrease/Transfer			9676	0	0.00
16.02.2018	Increase/Transfer			207	207	0.00
23.02.2018	Decrease/Transfer			207	0	0.00
31.03.2018					0	0.00
9. Madhava Rao Kilaru						
01.04.2017		14761	0.14			
07.07.2017	Decrease/Transfer			1102	13659	0.13
23.03.2018	Decrease/Transfer			2	13657	0.13
31.03.2018					13657	0.13
10. K. Usha Sankari						
01.04.2017		13728	0.13			
07.04.2017	Decrease/Transfer			6288	7440	0.07
05.05.2017	Decrease/Transfer			7440	0	0.00
31.03.2018					0	0
11. Poonam Sawheny						
01.04.2017		11,121	0.10			
31.03.2018					13320	0.12
12. Ram Kaliandas						
03.11.2017		20000	0.189			
31.03.2018					20000	0.189
13. Pritty Devi Sarawagi						
21.04.2017		7275	0.07			
02.06.2017	Increase/Transfer			3047	10322	0.10
28.07.2017	Increase/Transfer			354	10676	0.10
04.08.2017	Increase/Transfer			416	11092	0.10
01.09.2017	Increase/Transfer			2410	13502	0.13
31.03.2018					13502	0.13
14. Sanjay Kumar Sarawagi						
07.04.2017		4,649	0.04			
28.04.2017	Increase/Transfer			600	5,249	0.05
05.05.2017	Increase/Transfer			455	5704	0.05
12.05.2017	Increase/Transfer			2435	8,139	0.07
19.05.2017	Increase/Transfer			1062	9201	0.08
26.05.2017	Increase/Transfer			190	9391	0.08
21.07.2017	Increase/Transfer			80	9471	0.08
11.08.2017	Increase/Transfer			750	10221	0.09
18.08.2017	Increase/Transfer			25	10246	0.09
05.01.2018	Increase/Transfer			385	10631	0.10
19.01.2018	Increase/Transfer			788	11419	0.11
02.02.2018	Increase/Transfer			1901	13320	0.12
31.03.2018	Increase/Transfer				13320	0.12

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E. Shareholding of Directors and Key Managerial Personnel:

Date	Increase or Decrease (Reason)	Shareholding at the beginning of the year		Increase or Decrease in number of shares	Cumulative shareholding during the year	
		Number of Shares	% of total shares of the Company		Number of shares	% of total shares of the Company
1. Suneel Gupta						
01.04. 2017		3,461,841	32.22			
	Increase/Decrease			0		
31.03. 2018					3,461,841	32.22
2. Sangeeta Gupta						
01.04. 2017		2,586,172	24.07			
	Increase/Decrease			0		
31.03.2018					2,586,172	24.07
3. Abhinav Gupta						
01.04. 2017		1,186,000	11.03			
	Increase/Decrease			0		
31.03.2018					1,186,000	11.03
4. Piyush Gupta						
01.04. 2017		0	0.00			
	Increase/Decrease			0		
31.03.2018					0.00	0.00
5. Indermohan Aggarwal*						
01.04. 2017		0	0.00			
	Increase/Decrease			0		
31.03.2018					0.00	0.00
6. Anil Aggarwal						
01.04. 2017		0	0.00			
	Increase/Decrease			0		
31.03.2018					0.00	0.00
7. Sanjay Arora **						
01.04. 2017		420	0.00			
	Increase/Decrease			0		
31.03.2018					420	0.00
8. Girish Singh Adhikari						
01.04. 2017		0	0.00			
	Increase/Decrease			0		
31.03.2018					0.00	0.00
9. Noor Gupta***						
01.04. 2017		0	0.00			
	Increase/Decrease			0		
31.03.2018					0.00	0.00
10. Divya Agarwal****						
01.04. 2017		0	0.00			
	Increase/Decrease			0		
31.03.2018					0.00	0.00
11. Sanjana Tondon*****						
01.04. 2017		0	0.00			
	Increase/Decrease			0		
31.03. 2018					0.00	0.00

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*Mr. Inder Mohan Agarwal resigned from the Board on May 30, 2017

**Mr. Sanjay Arora was appointed as an Independent Director effective from June 1, 2017

*** Ms. Noor Gupta was appointed as Additional Director in Promoter category effective from December 9, 2017

****Ms. Divya Agarwal was appointed as Additional Director in Independent category effective from December 9, 2017

***** Ms. Sanjana Tondon was appointed as Company Secretary on May 1, 2017

C. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	355,546,182	42,200,000	0	397,746,182
ii) Interest due but not paid	0	162,839	0	162,839
iii) Interest accrued but not due	0	0	0	0
Total (I + ii + iii)	355,546,182	42,362,839	0	397,909,021
Change in Indebtedness during the financial year				
* Addition	1,494,528,866	37,289,191	0	1,531,818,057
* Reduction	1,466,443,354	19,458,326	0	1,485,901,680
Net Change	28,085,512	17,830,865	0	45,916,377
Indebtedness at the end of the financial year				
i) Principal Amount	383,631,694	55,500,000	0	439,131,694
ii) Interest due but not paid	0	4,693,704	0	4,693,704
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)	383,631,694	60,193,704	0	443,825,398

Unsecured Loan includes Rs. 455 Lakh from Directors.

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G. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rupees in lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Suneel Gupta (MD)	Sangeeta Gupta (WTD)	Abhinav Gupta (WTD)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84.00	84.00	81.00	249.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Incometax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total (A)	84.00	84.00	81.00	249.00
	Ceiling as per the Act		Remuneration paid as per schedule V of the Companies Act, 2013.		

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B. Remuneration to other directors:

(Rupees in lakh)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Piyush Gupta	Sanjay Arora	Anil Aggarwal	Divya Agarwal	Noor Gupta	
	1. Independent Directors						
	• Fee for attending board committee meetings	0	0	0	0		0
	• Commission	0	0	0	0		0
	• Others, please specify	0	0	0	0		0
	Total (1)	0	0	0	0		0
	2. Others Non-Executive Directors						
	• Fee for attending board committee					0	0
	• Commission					0	0
	• Others, please specify					0	0
	Total (2)					0	0
	Total (B)=(1+2)	0	0	0	0	0	0
	Total Managerial Remuneration						249
	Overall Ceiling as per the Act	Being 1% of Net Profit of the Company Calculated as per section 198 of the Companies Act, 2013					

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the income tax Act, 1961		3.30	4.03	7.33
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		0	0	0
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission				
	- as % of profit		0	0	0
	- others, specify....		0	0	0
5.	Others, Please specify		0	0	0
	Total	0	3.30	4.03	7.33

V. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: None

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

By the order of the Board

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Place: Gurugram
Date: August 27, 2018

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ANNEXURE-3

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

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Companies (Accounts) Rules, 2014 and forming part of Directors' Report.

1. CONSERVATION OF ENERGY

For achieving the targeted economic growth rate of the Country, energy conservation plays an important role. The Company has been continually making efforts to improve the energy performance by planning and its management. This not only saves energy resources for future but also avoids wasteful utilization of energy. Another area to focus is on reduction in consumption of energy. There is a growing gap between supply and demand of electrical power. In the short run, the only solution to the growing energy deficit is to facilitate good energy saving measures through conservation of power, fuel and water.

a) Energy Conservation Measures Taken

- In 2017-2018 also the Company has replaced Conventional Lamps with LED lamps
- Company controls potential areas where it may suffer energy loss
- The Company directs all the employees at all level to avoid wastage of electricity by effective utilization of computers machines, switching off all computers, AC System and light when not required.
- Company has started to use Turbine Ventilators instead of industrial exhaust fans.

b) Utilization of alternative source of energy

- Presently, the Company is not using any alternate source of energy but is searching a good alternative source.

c) Capital Investment on energy conservative equipment

- No significant investment is made in this financial year except replacement of Exhaust Fans with Turbine Ventilators.

2. TECHNOLOGY ABSORPTION

A. Research and Development

a) Specific areas in which R&D is carried out by the Company

- R & D is integral part of production is carried out in a continuous manner.

b) Benefits derived as a result of R&D

- Cost reduction

c) Future Plan of Action

- The Company continues to find out more ways to improve quality of products and reduction in cost.

d) Expenditure on R&D

- R & D being integral part of production is carried out in a continuous manner and, therefore, no separate records on expenses incurred on R & D is maintained.

B. Technology absorption, adaptation and innovation

- The Company has no technology for absorption, adaptation and innovation.

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3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to export, initiative taken to increase exports, development of new export market for products and export plans
- The Company is continuously trying to increase exports in existing markets and also trying to find out new markets.
- b) Total foreign exchange earned and used during the financial year

Income in Foreign Currency (Rupees in Lakh)

Particulars	2017-2018	2016-2017
FOB value of Export of Terry Towels (Realization basis)	7,497.59	6,504.83

Expenditure in Foreign Currency (Rupees in Lakh)

Particulars	2017-2018	2016-2017
Import of Stores and Spares	68.73	2.62
Foreign Travelling	25.32	68.65
Purchase of machineries	0.00	593.37
Total Expenditures	94.05	664.64
Net foreign exchange earned	7,403.54	5,840.19

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CORPORATE GOVERNANCE REPORT

In compliance with the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (herein after in this report referred as “the Listing Regulations”):

1. Company's Philosophy on Corporate Governance

The Company's philosophy envisions attainment of the highest levels of standards of corporate responsibility towards its shareholders, customers, employees all the stakeholders and society at large by attainment of transparency, accountability and equity in all facets of its operations. In the financial year 2017-2018 your Company has made efforts to adhere procedures and practices in conformity with the Listing Regulations.

2. Board of Directors

(a) Composition of the Board

The Board of the Company is comprised of eight Directors with three Executive Directors, one Non-Executive Promoter Director and four Non-Executive Independent Directors and is in conformity with section 149 of the Companies Act, 2013 and Regulation 17 (1) of the Listing Regulations. All the Executive Directors are Promoters (One is Managing Director who is also Chairman of the Company and two are Whole Time Directors). The Company has three women on its Board out of which one is independent Director.

None of the Directors exceeds the limit of Directors as specified in section 165(1) and proviso thereof the Companies Act, 2013 and Regulation 26 of the Listing Regulation. The detailed composition of the Board including other required information as on March 31, 2018 is given

Name of Directors	Position	Attendance			Other Directorships/ Committee Memberships		
			No. of Board Meeting attended	Last AGM attended (Yes / No)	Directorships in other public limited companies	Committee membership	Committees' Chairman
Mr. Suneel Gupta	Managing Director and Chairman (Promoter)	7	7	Yes	--	--	--
Mrs. Sangeeta Gupta	Whole-Time Director (Promoter)	7	7	No	--	--	--
Mr. Abhinav Gupta	Whole Time Director (Promoter)	7	2	No	--	--	--
Ms. Noor Gupta**	Non-Executive Director (Promoter)	7	0	NA	--	--	--
Mr. Piyush Gupta	Non Executive Independent Director	7	6	Yes	--	--	--
Mr. Anil Aggarwal	Non Executive Independent Director	7	5	Yes	--	--	--
Mr. Sanjay Arora*	Non Executive Independent Director	7	2	No	--	--	--
Ms. Divya Agarwal**	Non Executive Independent Director	7	0	NA	--	--	--

* Appointed as Additional Director effective from June 1, 2017 and regularized on September 25, 2017

** Appointed as Additional Directors effective from December 9, 2017

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All the promoters are relatives as defined in section 2(77) of the Companies Act, 2013 read with rule 4 of Companies (Specification of Definitions Details) Rules, 2014 while Non-executive Independent Directors are not related to each other. Non-executive Directors do not hold any share or convertible instruments in the Company as on March 31, 2018 except Mr. Sanjay Arora. He holds 420 equity shares originally allotted to him.

The independent Directors on the Board of the Company are distinguished people who have wide experience in the field of various fields viz. business, industry, commerce, finance, company law and administration. The Company's familiarization program explains the roles, rights, responsibilities in the Company, natures of industry in which Company operates to the Independent Directors. A web link showing details of familiarization program imparted to independent Directors is <http://ashnoortex.com/wp-content/uploads/2016/06/Familiarization-Policy.pdf>

(b) **Number of Board Meetings**

During the year, 7 (seven) meetings of the Board of Directors were held. Dates of these meetings are April 29, 2017; May 29, 2017; August 11, 2017; December 9, 2017; January 10, 2018, February 13, 2018 and March 26, 2018.

As per provisions of section 173 (1) of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations, gap between two Board Meetings did not exceed 120 days. During the year, all the relevant information as required to be placed before the Board inter-alia as per the Listing Regulations were placed before the Board and discussed/approved by it. The Schedule of the Board meetings were decided in advance, in consultation with the Directors and communicated to them as per provisions of the Companies Act, 2013 and Secretarial Standard-1.

(c) **Code of Conduct for Directors and Senior Management Personnel**

The Company has established a Code of Conduct for directors on the Board and senior Management Personnel of the Company. The Board members and senior management personnel of the Company have affirmed compliance with the code of conduct and Managing Director has given a declaration affirming compliance with them.

3. **Audit Committee**

(a) **Brief Description of Terms of Reference**

The Company has formed an Audit Committee as per Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013. The scope of the activities has been set out by the Board in conformity with above said Section of the Companies Act, 2013 and Regulation of the Listing Regulations. The terms of reference of the Audit Committee is specified by the Board. The composition of Audit Committee is appended below:

Name of Members	Status	Member
Mr. Piyush Gupta	Chairman	Non Executive Director - Independent
Mr. Anil Aggarwal	Member	Non Executive Director - Independent
Mr. Suneel Gupta	Member	Executive Director-Promoter

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All the three Directors are financially literate as per requirements of Explanations to Regulation 18(1) of Listing Regulations and having accounting and related financial management expertise. The Company Secretary acts as the Secretary at the meeting of the Audit Committee. The minutes of Audit Committee Meeting were placed before the Board and discussed in the meetings. Role of audit Committee includes as given in Part-C of Schedule-II of the Listing Regulations.

(b) Meetings and Attendance during the year

During the financial year 2017-2018, 4 (four) meetings of the Audit Committee were held on May 29, 2017, August 11, 2017, December 9, 2017 and February 13, 2018. Attendance of Directors in the meeting is as given below:

Name of the Members	Numbers of meetings held	Number of meetings attended
Mr. Piyush Gupta	4	4
Mr. Anil Aggarwal	4	4
Mr. Suneel Gupta	4	4

4. Nomination and Remuneration Committee

(a) Brief description of terms of reference

Pursuant to provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations the Company has established a Nomination and Remuneration Committee. The scope of the activities of this Committee has been set out in above said Section of the Companies Act, 2013 and in Part D of schedule II of the Listing Regulations. The said Committee is comprised of following Directors:

Name of the Members	Status	Member
Mr. Piyush Gupta	Chairman	Non Executive Director-Independent
Mr. Anil Aggarwal	Member	Non Executive Director-Independent
Mr. Sanjay Arora*	Member	Non Executive Director-Independent

*Mr. Sanjay Arora was appointed as member effective from June 1, 2017, after resignation of Mr. Inder Mohan Agarwal from the office of Director

The Committee's role includes identifying qualified persons eligible to become directors and may be appointed in senior management position in accordance with criteria lay down, recommend to the Board their appointment/removal, recommend their remuneration and carry out evaluation of every director including independent director's performance. The criteria for performance evaluation cover the area relevant to the functioning as Independent Directors, viz. preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by entire Board of Directors. During the evaluation the Director who was subject to evaluation had not participated. As per provisions of section 178(3) of the Companies Act, 2013, the Committee formed by the Company has formulated the criteria for determining qualification, positive attributes and independence of Director and formulated a remuneration policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

(b) Meetings and Attendance during the year

During the financial year 2017-2018, 2 (two) meetings of the Nomination and Remuneration Committee were held on April 20, 2017 and November 30, 2017. Attendance of Directors in the meeting is as given below:

ASHNOOR TEXTILE MILLS LIMITED

Name of the Members	Numbers of meetings held	Number of meetings attended
Mr. Piyush Gupta	2	2
Mr. Anil Aggarwal	2	2
Mr. Inder Mohan Aggarwal*	2	0
Mr. Sanjay Arora**	2	0

*Mr. Inder Mohan Agarwal resigned from the Board on May 30, 2017

** Mr. Sanjay Arora was appointed as a member effective from June 1, 2017 after the resignation of Mr. Inder Mohan Agarwal from the office of Director of the Company.

5. Remuneration of Directors

Detail of remuneration paid to Managing/Whole Time Directors for the year ended March 31, 2018 is given below:

Name & Designation	Sitting Fee In Rupees	Salary in Rupees (Consolidated)	Perquisites and Allowances	Commission Paid	Total in Rupees	Date of appointment/Re-appointment	Period of re-appointment
Mr. Suneel Gupta- Managing Director	0	8,400,000	0	0	8,400,000	January 10, 2017	3 years
Mrs. (Dr.) Sangeeta Gupta- Whole Time Director	0	8,400,000	0	0	8,400,000	May 1, 2017	3 years
Mr. Abhinav Gupta- Whole Time Director	0	8,100,000	0	0	8,100,000	February 1, 2016	3 years

The Company has not issued any stock option scheme.

None of the non-executive Directors has any pecuniary relationship with the Company except to the extent of receipt of sitting fees for the Board/Committee(s) of the Directors.

As per policy of the Company, any employee on senior level including employee Director may be ceased by giving one month/three months (as applicable) notice to or by the Company. The Company has not issued any stock option during the financial year.

6. Stakeholder Relationship Committee

(a) Brief description of terms of reference

The Company has set up a Stakeholder Relationship Committee as per provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations. The following Directors forms this Committee:

ASHNOOR TEXTILE MILLS LIMITED

Name of the Members	Status	Member
Mr. Piyush Gupta	Chairman	Non Executive Director-Independent
Mr. Anil Aggarwal	Member	Non Executive Director-Independent
Mr. Suneel Gupta	Member	Executive Director-Independent

The Committee has power to consider and resolve the grievance of shareholders including transfer of shares, non-receipt of annual report etc.

(b) Meetings and Attendance during the year

During the financial year 2017-2018, 4 (four) meetings of the Stakeholder Relationship Committee were held on May 29, 2017; August 11, 2017; December 9, 2017 and February 13, 2018. Attendance of Directors in the meeting is as given below:

Name of the Members	Numbers of meetings held	Number of meetings attended
Mr. Piyush Gupta	4	4
Mr. Anil Aggarwal	4	4
Mr. Suneel Gupta	4	4

During the financial year 2017-2018, the Company received 10 (ten) complaints, which were replied/resolved to the satisfaction of investors. There was no complaint was pending on March 31, 2018.

To regulate trading in securities by the Directors and designated employees the Company has adopted a "Code of Conduct for Prohibition of Insider Trading".

7. General Body Meetings

Location and time for the last three Annual General Meetings

Year	Date	Venue	Time
2014-2015	September 30, 2015	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 a. m.
2015-2016	September 30, 2016	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 a. m.
2016-2017	September 25, 2017	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 a. m.

In Annual General Meeting held on September 30, 2015 three special resolutions were passed relating to increase in remuneration of Managing Director/Whole Time Director and appointment of Independent Director. Further, in previous year the Annual General Meeting held on September 30, 2016, the members passed six special resolution related to Appointment of Whole Time Director, re-appointment of Managing Director and Whole Time Director, adoption of new set of Memorandum and Articles of Association and borrowing in excess of paid up capital and free reserves. In Annual General Meeting held on September 25, 2017, a special resolution pertaining to increase in remuneration of Whole-Time Director was passed.

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During the year under review, no resolution was passed through postal ballot as required by the Companies as per section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014. There is no proposal to pass any special resolution through postal ballot.

8. Means of Communication

Quarterly Results	Quarterly Results are announced within forty five days from the end of respective quarter and are normally published in The Pioneer (English) and Veer Arjun (Hindi).
Any Website	www.ashnoortex.com

The Company has not displayed official news releases and no presentation was made to institutional investors/analysts.

9. General Shareholders Information

(a) Date, Time and Venue of Annual General Meeting

Thirty-Fifth Annual General Meeting of the Company will be held on Saturday, September 29, 2018 at 9:30 a. m. Beharampur Road, Village Khandsa, District Gurgaon, Haryana.

(b) Financial Calendar (tentative and subject to change)

The Company expects to announce the un-audited quarterly results for the year 2018-2019, as per the following schedule:

First Quarter	: On or before August 14, 2018
Second Quarter	: On or before November 14, 2018
Third Quarter	: On or before February 14, 2018
Fourth Quarter/Annual	: On or before May 30, 2019

(c) Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year 2017-2018.

(d) Book Closure

The Company's Register of Members and Share Transfer Book will remain closed from Sunday, September 23, 2018 to Saturday, September 29, 2018 (both days inclusive).

(e) Listing on Stock Exchanges

The Company's equity shares are listed at The Bombay Stock Exchange, Mumbai (BSE). The Company is yet to pay the Annual listing fees for the financial year 2018-2019.

ASHNOOR TEXTILE MILLS LIMITED

- (f) Stock Code
The Stock Exchange, Mumbai: 507872
- (g) Market Information and Performance of Company's stock price incomparison to broad based BSE Sensex

Month	High In Rupees	Low In Rupees	Monthly Closing Price In Rupees
April 2017	19.85	16.70	17.35
May 2017	19.50	16.05	19.50
June 2017	22.60	17.50	18.35
July 2017	21.80	16.45	18.45
August 2017	20.65	15.95	19.00
September 2017	20.10	16.30	17.85
October 2017	20.35	16.20	19.50
November 2017	22.15	17.75	22.15
December 2017	27.30	21.05	21.85
January 2018	28.10	20.90	24.30
February 2018	27.35	22.90	25.75
March 2018	25.75	21.20	24.00

Source: bseindia.com

- (h) Performance in comparison to broad base indices such as BSE Sansex, CRISIAL Index etc.

Month	Monthly Closing Sensex at BSE	Monthly Closing Price In Rupees
April 2017	29918.40	17.35
May 2017	31145.80	19.50
June 2017	30921.61	18.35
July 2017	32514.94	18.45
August 2017	31730.49	19.00
September 2017	31283.72	17.85
October 2017	33213.13	19.50
November 2017	33149.35	22.15
December 2017	34056.83	21.85
January 2018	35965.02	24.30
February 2018	34184.04	25.75
March 2018	32968.68	24.00

Source: bseindia.com

ASHNOOR TEXTILE MILLS LIMITED

- (i) Registrar and Share Transfer Agents
Messrs Link Intime India Private Limited is Registrar and Share Transfer Agent. Its office is situated at following address:
44, Community Centre,
2nd Floor, Naraina Industrial Area,
Phase-I, Near PVR,
New Delhi-110028

- (j) Share Transfer System
The shares received in physical forms usually transferred and returned within a period of 15 days from the date of receipt, if documents are complete with all respects.

Physical shares received for dematerialization are processed and completed within a period of 15 from the date of receipt. Bad deliveries are promptly returned to depository Participants under the advice of shareholders.

- (k) Distribution and Pattern of Share holding

- (i) Distribution of Shareholding of the Company as on March 31, 2018.

Range of Equity Shares In Rupees	Number of Shareholders		Share Capital Amount In Rupees			Share Capital Amount	
	Number	%	Physical	NSDL Demat	CDSL Demat	Rupees	%
0 - 5000	16745	95.23	20639110	1899230	1057810	23596150	21.96
5,001 - 10,000	581	3.31	3171620	589610	282960	4044190	3.76
10,001- 20,000	159	0.90	1252800	516550	360010	2129360	1.98
20,001- 30,000	37	0.21	284080	350460	275020	909560	0.85
30,001- 40,000	26	0.14	512640	106070	285730	904440	0.84
40,001- 50,000	7	0.04	129500	0	184630	314130	0.29
50,001-1,00,000	14	0.08	225050	218560	503970	947580	0.88
1,00,001 and Above	15	0.09	114100	59570940	14928040	74613080	69.44
Total	17584	100.00	26328900	63251420	17878170	107458490	100.00

- (ii) Shareholding Pattern of the Company as on March 31, 2018

Category of Shareholders	Number of Share holders	Number of Shares held	Percentage of holding
Promoters	3	7,234,013	67.32
Financial Institutions, Mutual Funds and Banks	1	3,080	0.03
NRIs	5	3043	0.03
Foreign Nationals	10	14,168	0.13
Individual shareholding-Nominal share capital upto Rs.2 lakh	17,356	3,276,303	30.49
Individual shareholding-Nominal share capital in excess of Rs.2 lakh	2	86,349	0.80
Private Corporate Bodies	81	52,756	0.49
HUF	42	34,249	0.32
Clearing Members	10	16,002	0.15
Trust	2	25,886	0.24
Total	17,512	10,745,849	100.00

ASHNOOR TEXTILE MILLS LIMITED

- (l) Outstanding GDRs/ADRs/Warrants or any Convertible Instrument
The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments which likely to have impact on Equity share capital of the Company.
- (m) The ISIN No. of the Company is INE372I01018. 75.50% of the paid-up share capital had been dematerialized as at March 31, 2018 with the two depositories.
- (n) Plant Location
Behrampur Road,
Village Khandsa
District Gurgaon,
Haryana-122001
- (o) Address for Correspondence
Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
District Gurgaon, Haryana-122001
Phone: 0124 4809756
E-mail: atml_delhi@yahoo.com

10. Other Disclosures

- (a) Related Party Transactions
During the year, the Company has no significant related party transactions with any related part, which is considered to have penitential conflict with the interests of the Company at large. Suitable disclosures have been made by all the directors and key managerial personnel where they and/or their relatives have personal interest. A detail disclosure on related party transactions has been made at Note number 28(b) in Notes to Financial Statement. Web link of policy on dealing with related party transactions is <http://ashnoortex.com/wp-content/uploads/2016/06/Policy-on-Related-Party-Transactions.pdf>
- (b) Penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority
No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years.
- (c) Whistle Blower Policy
The Company has a Vigil Mechanism and Whistle Blower Policy for directors and employees to report genuine concerns to as per provisions of Section 177 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of Listing Regulations. It is affirmed that no person has been denied access to Audit Committee and vigil mechanism provides adequate safeguard against victimization of employees and directors who avail of the vigil mechanism. Web link of policy on vigil mechanism <http://ashnoortex.com/wp-content/uploads/2016/06/Vigil-Mechanism.pdf>
- (d) Accounting Treatment
The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.
- (e) Subsidiary Company
The Company does not have any subsidiary / material subsidiary. However, policy to determine material subsidiary is available at Company website at web link <http://ashnoortex.com/wp-content/uploads/2016/08/Material-Subsidiary-Policy.pdf> The company does not have any associate/joint venture/holding company.
- (f) Risk Management
The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedure. The Company is not required to formulate Risk Management Committee.

ASHNOOR TEXTILE MILLS LIMITED

(g) Code of Conduct

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the Directors (including Independent Directors) and senior management personnel. It codes gives guidance and support needed for ethical conduct of business and compliance of law. The Company has circulated code to all the Directors and Senior Management Personnel. A declaration signed by the Managing Director is published in this report. Web link of code is <http://ashnoortex.com/wp-content/uploads/2016/06/Code-of-Conduct-for-Board-Members-Senior-Management.pdf>

(h) Review of Directors' Responsibility Statement

The Board in its report has confirmed preparation of annual accounts as per Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013 and sufficient care has been taken for maintaining adequate accounting records.

(i) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

During the 2017-2018, there was foreign exchange risk due to volatility in the rate of INR versus US\$. But, the Company adopted suitable hedging strategy to minimize the risk. The Commodity risk mainly comprised of risk due to volatility in price of cotton yarn. The had adopted appropriate inventory policies to minimize this risk.

(j) During the year, the Company has complied with all the conditions of Corporate Governance requirements as stipulated in the Listing Regulations, as applicable.

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

At present, the Company has 1597 Shareholders holding 255,912 shares, whose Shareholding are lying undelivered /unclaimed (Previous year: 256,920 shares of 1615 shareholders). The Company will transfer these shares to demat suspense account/unclaimed suspense account shortly.

(l) Other Requirement of Listing Regulations

(a) The Board of Directors

The Chairman of the Company is the Executive Chairman (Managing Director). All the Directors including Independent Directors are appointed/re-appointed by the Board from time to time as per applicable provisions of the Companies Act, 2013 and the Listing Regulations. The Company has appointed the Independent Directors for 5 consecutive years.

(b) Members' Rights

The Company declare/publish quarterly, half-yearly and annual financial results in English/Hindi the newspapers and are posted on the Company's website www.ashnoortex.com. The company does not send/mail, as the case may be, to each and every member of the Company.

(c) Unmodified Audit Report

There are no Audit Qualifications in the Company's financial statements for the financial year 2017-2018.

(d) Internal Auditors

The Internal Auditors directly report to the Audit Committee.

12. Compliance Certificate

The above report was placed before the Board meeting held on May 29, 2018. The Compliance Certificate for Corporate Governance issued by the Statutory Auditors of the Company is annexed with this report.

ASHNOOR TEXTILE MILLS LIMITED

13. CEO/CFO Certifications

The Managing Director and Chief Financial Officer of the Company have given annual certification as per Regulation 17(8) of Listing Regulations to the Board at its meeting held on May 29, 2018.

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Place: Gurugram
Date: May 29, 2018

DECLARATION REGARDING CODE OF CONDUCT

I, Suneel Gupta, Managing Director, of the Company hereby certify that the Board members and Senior Management Personnel has affirmed compliance with the Code of Conduct for the financial year ended March 31, 2018 as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Place: Gurugram
Date: May 29, 2018

AUDITORS' CERTIFICATE CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Ashnoor Textile Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ashnoor Textile Mills Limited for the year ended on March 31, 2018, as stipulated in SEBI (Obligations and Disclosures Requirements) Regulation, 2015 (the 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 the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have carried out an examination of relevant records of the Company in accordance with the "Guidance Note on Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India (the ICAI), the Standard of Auditing specified in section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the "Guidance Note on Reports or Certificates for Special Purposes", issued by the ICAI, which required, inter-alia, that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned the Listing Regulations during the financial year ended March 31, 2018.

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 Agarwal & Gupta
Chartered Accountants
Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841

Place: New Delhi
Date : May 29, 2018

ASHNOOR TEXTILE MILLS LIMITED

Annexure-5

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Business overview of Ashnoor Textile Mills Limited (ATML)

Ashnoor Textile Mills Limited is engaged in manufacture and export of terry towels. It has only one plant located at Gurgaon. The company is making its entire export to U.S.A. which constitutes nearly 90% of the total sales. So, the business prospects of the company are dependent on global and Indian economy; particularly the economic conditions in U.S.A. As far as the cost structure is concerned, the two important factors are fuel and cotton yarn. The operations of the company are also affected by exchange rates and export incentives by the government of India.

B. Industry Structure and Developments

India's textile sector has the second-largest employment, employing 32 million workers. It has the potential to double this employment in the next seven years as per the vision document (for 2024-25). It is a sector, which provides livelihoods to millions of households. It is also a storehouse of traditional skills, heritage, and a carrier of heritage and culture. The various policy documents of the Government have also highlighted the importance of textile sector with regard to generating formal and productive jobs, having potential for broader social transformation and generating exports and growth. This is also a sector, which is undergoing a huge churn due to automation, digital printing and the relentless rise of e-commerce. All these developments may completely change the face of this industry.

Terry towels form an integral part of the home-textile segment. The demand for terry towels varies across the countries depending upon various factors like population, demographics, living style, economic status and its climatic conditions. In India, terry fabrics are manufactured mainly in decentralized handloom and power looms sectors. Most of terry fabric centres are situated around Chennai, Panipat, and Sholapur. However, terry fabrics are also manufactured in organized sector. But, the volume of production of terry fabrics in organized sector is much lesser than that of the production in decentralized sector. Until last decade, only 10-15% of terry fabric production was produced in organized sector. We are one of the prominent terry towel manufacturers in organized sector. Most of the organized sector units are engaged in catering to market of export and high-quality segment of domestic market, which covers mainly of hospitals and leisure industry.

C. Opportunities and Threats and Future outlook

Global Economic Conditions

Global GDP grew by 3.8% in 2017 which was the fastest since 2011. The growth was higher in second half of the year which exceeded 4%. The said growth was primarily driven by improved conditions in U.S.A. Another reason is that commodity producers such as Russia, Brazil and Saudi Arabia which had been suffering from depressed prices benefitted from upswing in demand and prices.

Statistical source: IMF World Economic Outlook April 2018

U.S.A Economic Conditions

US consumer confidence index, employment population ratio, personal consumption expenditure and new home sales have been showing an improving trend. US retail sales have

ASHNOOR TEXTILE MILLS LIMITED

been at all time high of USD 4.99 trillion in 2017 and are expected to show a gradual growth over the next few years. Since the company is predominantly exporting its products to U.S.A, its fortunes are linked with the growth scenario in that country. The healthy US economic conditions and future outlook argues well for the growth of the company in the times to come.

Indian Economic scenario

The Indian economy witnessed a growth of 6.7% in FY 2018 and emerged as the fastest growing major economy in the world. With GDP growth averaging 7.3% between 2014-15 and 2017-18, India is emerging as one of the best performing economies of the world. Looking forward, the GDP growth is expected to be in the range of 7.5% in the next few years which is quite healthy. The Government has adopted favorable policies for textile industry in the country which is providing huge employment apart from generating huge foreign exchange earnings. The favorable policy framework of the Government for the textile sector is likely to provide a conducive atmosphere to the company.

Cotton Yarn

Cotton yarn is the main raw material for the products manufactured by the company. India is the largest producer of cotton as well as net exporter of cotton and cotton yarn. This gives a competitive edge to the Indian exporters of cotton products. The year started with high cotton prices of around Rs. 43,000-44,000 per candy and the domestic as well as international cotton prices continue to be at higher levels with occasional variations. So, this is a major challenge for the company and it is making all the efforts to pass on the cost to its buyers.

Foreign Exchange

India's currency has faced considerable volatility for most part of the year vis-a-vis the US dollar. During the last 4 months the rupee has depreciated quite sharply and presently is trading in the range of Rs.70/- per dollar. This is a positive for exporting companies like us which has helped in partially off-setting cost escalations due to high cotton prices and rising prices of crude and its derivatives. The company adopts the policy of partial hedging the currencies to achieve a balance between protection of forex earnings and taking the advantage of depreciating rupee.

GST and Export Incentives

In 2017, GST was introduced in the country which was a major change. Although in the initial months there were bottlenecks and disruptions but now the situation has normalized. The government has been very helpful in introducing liberal incentives in form of MEIS, ROSL, duty drawbacks and GST refund. On the net basis, the management feels that the company is in an advantageous position post introduction of GST as far export incentives are concerned.

D. Segment Reporting

The company has only one segment of activity namely-Terry Towels, in accordance with the definition of "Segment" as per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The performance for the same has been discussed details in this report.

E. Risks and Concern

India's share of textile exports in total exports (at 12%), is half of what it was in 1996. Bangladesh's garment exports exceeded India's in absolute terms back in 2003 and today, it exports twice that of India. Even late starter Vietnam overtook India in 2011. Their growth in exports has been at 20% per year, against India's 8%. In overall textile trade globally, India has a share of merely 5%, against China's 39%.

ASHNOOR TEXTILE MILLS LIMITED

So, continuance of favorable textile policies by the Government of India to counter the global competition is utmost desirable. Volatility of exchange rate coupled with competitive currency war is another concern although the Indian rupee has traditionally been depreciating over the years which is a rather positive for the export of terry towel industry.

Very recently we have witnessed an era of trade wars initiated by US administration. Although, it is primarily targeted towards China, there is always a risk of India also being one of the targets.

Lastly, the vulnerability of the Indian economy to the risk of potential outflows and rise of crude remain a big macro risk. The worldwide unwinding of monetary easing coupled with the rise in interest rates is another area of concern.

F. Internal Control Systems and their Adequacy

The Company maintains adequate systems of internal controls to ensure that all assets are safeguarded against loss from unauthorized use or disposition. The Company's policies, procedures and guidelines are in place to ensure that all the transactions are authorized, recorded and reported correctly. The Company has an internal audit system commensurate to its size and the nature of its business. The Company also has adequate procedures for internal financial controls to detect and prevent frauds and to protect the Company's resources. The financial statements are prepared in accordance with the accounting standards issued by Institute of Chartered Accountants of India.

G. Financial and Operational Performance

During the year under review, revenue from operations increased from Rs. 81.51 Crore to Rs.88.32 Crore. However, the net profit after tax decreased from Rs.2.91 Crore to Rs.2.18 Crore indicating decline in profitability.

The increasing cost has been one of the main reasons for this decline in profits. During the financial year 2017-2018, the dollar also traded in the lower range below Rs.67/- which had a depressing effect on the export realizations. The rising trend of cotton yarn has also been responsible for decline in profitability. However, the balance sheet of the Company has been strengthened as the Company has ploughed back all the cash accruals. The promoters have also introduced new funds to augment the working capital of the Company. Accordingly, it has witnessed an all around improvement in the financial indicators namely net worth, debt equity ratio, net working capital current ratio.

In the current year, the Company has managed to capture new overseas buyers and a healthy jump in exports and profits is envisaged. Overall, the Company foresees a better future on operational and financial fronts.

H. Human Resources/Industrial Relations and Number of people employed during the year

The Company has always valued its human resources. It believes in unlimited potential of each of its staff. Its dedicated and efficient employees are great assets of the Company and most important ingredient for achieving excellence in performance. During the financial year, the overall industrial relations remained cordial in the Company.

ASHNOOR TEXTILE MILLS LIMITED

I. Accounting Treatment

The financial statements have been prepared to comply with the Indian Accounting Standards (Ind-AS) including rules notified under the relevant provisions of the Companies Act, 2013.

Disclaimer

Readers are cautioned that this discussion and analysis contains certain forward looking statements. All these statements always have certain risks and uncertainties. Actual results could differ materially from those expressed or implied and the Company is not bound to publicly update or revise forwarding looking statements. Therefore, readers are cautioned not to place undue reliance on these forwarding looking statements.

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Place: Gurugram
Date: May 29, 2018

ASHNOOR TEXTILE MILLS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASHNOOR TEXTILE MILLS LIMITED

Report on the standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ashnoor Textile Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the statement of Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and profit, changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

ASHNOOR TEXTILE MILLS LIMITED

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.

Our responsibility is to express an opinion on these financial statements based on our audit.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 4.1 and Note 14.1 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Agarwal & Gupta
Chartered Accountants
Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841
Place: New Delhi
Date : May 29, 2018

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ASHNOOR TEXTILE MILLS LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2018

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, all Immovable properties are held in the name of the company.
- (ii) (a) As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at the end of the year by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) As explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013; and Therefore, the provisions of Clause 3(iii)[(a),(b),(c) and (d)/(f) and (g)] of the said Order are not applicable to the Company.
- (iv) The company has not given any loans, guarantees, and security according to provisions of section 185 and 186 of the Companies Act, 2013; and therefore, the provision of Clause 3(iv) of the said Order is not applicable to the Company.
- (v) Based on our scrutiny of the company's records and according to the information and explanation provided by the management, in our opinion the Company has not accepted any deposits from the public within the meaning of Rule 2 of the Companies (Acceptance of Deposits) Rules, 2014.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- (vii) In respect of statutory dues:
 - (a) According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance (ESI), Investor Education and Protection Fund, Income Tax, Tax Deducted at Sources, Tax Collected at Source, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.

ASHNOOR TEXTILE MILLS LIMITED

- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax and other material statutory dues in arrears /were outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (ix) The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(ix) of the Order are not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and disclosed in Note No -28 of Financial Statements for the year ended March 31, 2018.
- (xiv) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of (xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR AGARWAL & GUPTA
Chartered Accountants
(Registration Number: 017621C)

Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841
Place: New Delhi
Date: May 29, 2018

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURE A 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')

We have audited the internal financial controls over financial reporting of Ashnoor Textile Mills Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with Guidance Note of Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about adequacy of the internal financial controls over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting included those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction 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

ASHNOOR TEXTILE MILLS LIMITED

company; and (3) provide reasonable assurance regarding prevention or timely detections of unauthorized accusation, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial control 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 internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate the internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, 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 of Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR AGARWAL & GUPTA
Chartered Accountants
(Registration Number: 017621C)

Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841
Place: New Delhi
Date: May 29, 2018

ASHNOOR TEXTILE MILLS LIMITED

BALANCE SHEET AS AT MARCH, 31 2018

PARTICULARS	NOTE NUMBER	31.03.2018 Rupees	31.03.2017 Rupees
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	2	244,622,412	243,578,428
(b) Financial Assets			
(i) Investments	3	2,827,238	2,286,385
(c) Other Non Current Assets	4	18,038,883	17,950,611
Current Assets			
(a) Inventories	5	204,384,428	173,920,511
(b) Financial Assets			
(i) Trade Receivables	6	237,590,627	173,471,974
(ii) Cash and Cash Equivalents	7	28,414,766	54,095,228
(c) Other Current Assets	8	109,927,989	69,566,171
Total Assets		845,806,343	734,869,308
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	9	107,395,036	107,395,036
(b) Other Equity	10	136,017,640	114,222,262
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(I) Borrowings	11	59,684,978	44,853,687
(b) Provisions	12	6,315,102	6,851,326
(c) Deferred Tax Liability (Net)	13	27,236,029	22,795,479
(d) Other Non-Current Liabilities	14	43,113,198	61,542,469
Current Liabilities			
(a) Financial Liabilities			
(I) Borrowings	15	340,216,440	278,911,657
(ii) Trade Payables	16	93,180,732	58,272,108
(b) Other Current Liability	17	16,502,978	29,275,885
(c) Provisions	18	16,144,210	10,749,399
Total Liabilities		845,806,343	734,869,308
NOTES ON FINANCIAL STATEMENTS	1 to 30		
SIGNIFICANT ACCOUNTING POLICIES	1		

As per our report of even date attached

For and on behalf of the Board

For Agarwal & Gupta
Chartered Accountants

Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841
Place: New Delhi
Date : May 29, 2018

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
SANJANA TANDON
Company Secretary
ACS No.: A2568

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Sd/-
GIRISH SINGH ADHIKARI
Chief Financial Officer
PAN-AEPPA9502R

ASHNOOR TEXTILE MILLS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH, 31 2018

PARTICULARS	NOTE NUMBER	31.03.2018 Rupees	31.03.2017 Rupees
INCOME			
(I) Revenue from Operations			
(a) Sale of Products	19	883,283,198	815,106,021
(II) Other Income	20	16,801,671	8,937,422
Total Income		900,084,868	824,043,443
(III) Expenses			
(a) Cost of Material Consumed	21	728,897,542	645,348,869
(b) Purchase of Stock-in-Trade	22	6,551,329	4,723,508
(c) Change in Inventory of finished work-in-progress and stock-in-trade	23	(32,682,978)	(49,965,304)
(d) Employee Benefit Expenses	24	30,732,433	28,843,679
(e) Finance Costs	25	27,599,369	21,142,160
(f) Depreciation Expenses	2	22,279,497	26,272,735
(g) Other Expenses	26	83,601,479	90,985,101
Total Expenses		866,978,672	767,350,748
(IV) Profit Before Exceptional and Extraordinary Items and Tax		33,106,197	56,692,695
(V) Extra Ordinary Items	27	3,728,678	(14,298,536)
(VI) Profit Before Tax		36,834,875	42,394,159
(VII) Tax Expenses			
(a) Current Tax		(10,598,946)	(8,751,365)
(b) Deferred Tax		(4,440,550)	(4,518,419)
(VIII) Profit For the Year		21,795,378	29,124,375
(IX) Earning Per Equity Share.			
(a) Basic Earning Per Share		2.03	2.71
(b) Diluted		2.03	2.71
(c) Weighted Average Number of Equity Shares		10,745,849	10,745,849
(X) Notes on Financial Statements	1 to 30		
(XI) Significant Accounting Policies	1		

As per our report of even date attached

For and on behalf of the Board

For Agarwal & Gupta
Chartered Accountants

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841
Place: New Delhi
Date : May 29, 2018

Sd/-
SANJANA TANDON
Company Secretary
ACS No.: A2568

Sd/-
GIRISH SINGH ADHIKARI
Chief Financial Officer
PAN-AEPPA9502R

ASHNOOR TEXTILE MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (PURSUANT TO THE LISTING AGREEMENT WITH THE STOCK EXCHANGES)

S.No.	PARTICULARS	31.03.2018 Rupees	31.03.2017 Rupees
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) Before Tax and Extraordinary Items	33,106,196.66	56,692,694.78
	Adjustments for :		
	Depreciation	22,279,497.00	26,272,735.00
	Other Income	13,934,863.58	15,255,424.28
	Interest Paid	27,599,368.54	21,142,160.27
	Operating Profit Before Working Capital Changes	69,050,198.62	88,852,165.77
	Adjustments for:		
	Trade and Other Receivables	(104,568,742.55)	(96,584,471.34)
	Inventories	(30,463,916.35)	(36,280,049.22)
	Trade Payments	13,005,582.40	7,768,114.73
	Cash Generated from Operations	(52,976,877.88)	(36,244,240.07)
	Interest Paid	27,599,368.54	21,142,160.27
	Net Gain/Loss on Foreign Currency Transactions	11,462,783.00	12,911,989.28
	Income and Fringe Benefit Tax	15,039,496.22	13,269,783.89
	CASH FLOW BEFORE EXTRAORDINARY ITEMS	(84,152,959.64)	(57,744,194.95)
	Extraordinary Items	(1,430,000.00)	(14,470,628.70)
	Net Cash from Operating Activities	(85,582,959.64)	(72,214,823.65)
B.	CASH FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	18,809,794.91	25,269,274.91
	Sale of Fixed Assets	644,990.00	175,000.00
	Investments	(540,853.00)	1,900,000.00
	Interest and Other Income	2,472,080.58	2,343,435.00
	Net Cash from Investing Activities	(16,233,577.33)	(20,850,839.91)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issue of Share Capital/Share Application	-	-
	Proceeds from Long Term Borrowings	14,831,291.00	146,555.00
	Proceeds from Other Borrowings	61,304,784.40	71,587,354.00
	Public Issue and Other Expenses	-	-
	Capital Subsidy Received	-	-
	Net Cash from Financing Activities	76,136,075.40	71,733,909.00
D.	NET INCREASE IN CASH AND CASH EQUIVALENTS	(25,680,461.57)	(21,331,754.56)
	Cash and Cash Equivalents as at 01.04.2017	54,095,227.64	75,426,982.20
	Cash and Cash Equivalents as at 31.03.2018	28,414,766.07	54,095,227.64
	For and on behalf of the Board		
	Sd/-		
	Suneel Gupta	Sd/-	Sd/-
	Managing Director	Sangeeta Gupta	Girish Singh Adhikari
	DIN-00052084	Whole Time Director	Chief Financial Officer
	Dated : May 29, 2018	DIN-00052121	PAN-AEEPA9502R
			Sanjana Tondon Company Secretary ACS No. 37401

AUDITORS' CERTIFICATE

The Board of Directors
Ashnoor Textiles Mills Limited
Village Khandsa, Behrampur Road
District Gurgaon, Haryana - 122001

We have examined the attached cash flow statement of Ashnoor Textiles Mills Limited for the year ended March 31, 2018. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

FOR AGARWAL & GUPTA
Chartered Accountants
(Registration Number: 017621C)

Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841
Place: New Delhi
Date: May 29, 2018

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE NO - 1

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation and Presentation
 - a) The financial statements have been prepared on the historical cost basis
 - b) The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.
 - c) Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".
 - d) These financial statements are the Company's first Ind AS standalone financial statements. Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

 2. Property, plant and equipment
 - a) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
 - b) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
 - c) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

 3. Depreciation
 - a) Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013..
 - b) Depreciation on additions to fixed asset during the year has been provided on pro rata basis from the date of such addition.
 - c) 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.
 - d) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.
 - e) Depreciation on amount, added to/reduced from the cost of asset consequent to increase/decrease in liability towards creditors for capital goods, due to change in foreign exchange rate, is provided prospectively for the remaining life of the assets at the rates on which concerned asset has been depreciated so far.
-

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4. **Impairment of Assets**

The Carrying amounts of assets are reviewed at each balance sheet if there is any indication of impairment based on internal/external factors. If any indications exist the recoverable value of assets is estimated. An Impairment loss is recognized whenever the carrying amount of an assets is exceeds its recoverable amount, the latter being greater of net selling price and value in use.
5. **Finance Cost**
 - a) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly 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 its intended use.
 - b) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
 - c) All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.
6. **Inventories**
 - a) Inventory of raw material, packing material, fuels, consumables, dyes and chemicals, are valued on Lower of Cost and Net Realizable Value. Cost is calculated on First in First out (FIFO) basis of costing and is net of subsequently recoverable duties and taxes.
 - b) Stock in progress is valued at Lower of Cost and Net Realizable Value. Costs include raw material cost, ascertained on the basis of average cost of purchases, and direct cost incurred up to the stage of production of Grey Yarn, processing and fabrication. Inventory lying for more than six months is valued at half of cost of production.
 - c) Finished goods are valued at Lower of Cost and Net Realizable Value. Cost includes raw material cost, ascertained on the basis of average cost of purchases, and direct cost. Old inventory lying for more than six months is valued at half of cost of production. Inventory of rejected finished goods is valued at Net Realizable Value.
 - d) Inventory of carpets and trading items is valued on lower of cost and net realizable value.
 - e) Inventory of waste is valued on net realizable value.
 - f) Stores and Spares are charged to expenses on purchase and no inventory is maintained.
7. **Investments**

Long Term investments are valued at cost. Provision for decrease in market value of the short-term investment is created in the books as unrealized losses.
8. **Retirement Benefits**

Retirement benefits have been accounted for on accrual basis. Provision of Gratuity is created for the employees who became eligible after completing five years of services under the Payment of Gratuity Act, 1972. Provision of Gratuity has not been provided on the

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

9. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

10. Revenue Recognition

a) Sale is recorded on FOB value exclusive of freight, insurance and excise duty recovered from the customers. Sale is recognized on the date of dispatch of goods from factory after verification by the Excise Authorities from the Bonded Warehouse, which is located within the premises of the factory.

b) Export Sale is recorded at the foreign currency exchange rate prevailing on the date of the transaction.

c) Sales are recorded on invoice value net of discounts and rebates.

11. Foreign Currency Transactions

a) Expenses and Income in foreign exchange are accounted for at the rates prevailing on the date of transactions and exchange differences on settlement of transaction are taken to the Profit and Loss Account.

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

c) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

12. Taxation

Deferred tax is recognized, on timing differences, being the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE NUMBER - 2

FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01-04-2017 Rupees	Additions during the year Rupees	Adjustments during the year Rupees	As at 31-03-2018 Rupees	As at 01-04-2017 Rupees	For 01-04-2017 Rupees	Adjustments During the year Rupees	As at 31-03-2018 Rupees	As at 31-03-2017 Rupees
Tangible Assets									
Land	8,557,120.00	-	-	8,557,120.00	-	-	-	8,557,120.00	8,557,120.00
Factory Building	103,299,772.24	3,837,224.00	-	107,136,996.24	56,610,502.24	3,243,658.00	-	47,282,836.00	46,689,270.00
Office Building	2,558,130.00	-	-	2,558,130.00	1,712,866.00	87,808.00	-	757,456.00	845,264.00
Electric Installation	6,328,914.00	141,081.00	-	6,469,995.00	1,428,740.00	616,546.00	-	4,424,709.00	4,900,174.00
Plant and Machinery	503,699,098.44	9,122,578.00	(5,575,000.00)	507,246,676.44	332,234,876.97	15,004,111.00	(5,575,000.00)	165,582,688.47	171,464,221.47
ETP Plant	2,243,785.00	-	-	2,243,785.00	487,494.00	213,160.00	-	1,543,131.00	1,756,291.00
Generator Set	8,954,851.00	49,500.00	-	9,004,351.00	8,000,534.00	573,698.00	-	430,119.00	954,317.00
Furniture and Fixture	905,233.00	93,250.00	-	998,483.00	153,988.00	94,857.00	-	749,638.00	751,245.00
Office Equipment	898,525.00	-	-	898,525.00	388,954.00	169,252.00	-	343,319.00	512,571.00
Computers	452,155.00	144,960.00	-	597,115.00	295,620.00	131,598.00	-	169,897.00	156,535.00
Vehicles	20,955,021.00	-	-	20,955,021.00	13,963,601.57	2,144,809.00	(4,513,687.50)	9,360,297.93	6,991,419.43
Capital Work-in-Progress	-	-	-	-	-	-	-	5,421,201.00	-
Water Treatment Plant	-	5,421,201.00	-	5,421,201.00	-	-	-	-	-
Grand Total	658,852,604.68	18,809,794.00	(5,575,000.00)	672,087,398.68	415,274,176.78	22,279,497.00	(10,088,687.50)	244,622,412.40	243,578,427.90
Previous year	633,652,979.68	25,269,274.00	(69,649.00)	658,852,604.68	389,068,183.78	26,272,735.00	(66,742.00)	243,578,427.90	244,584,795.90

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
3 NON CURRENT INVESTMENTS		
Long Term Trade Investments		
Investment in Equity Instruments: Quoted at Cost		
Rural Electrification Corporation Limited	-	1,686,385
Anant Raj Limited	740,045	-
BSE Limited	387,193	-
Investments in Unit Link Plan	1,700,000	600,000
	<u>2,827,238</u>	<u>2,286,385</u>
Market Value of Quoted Investments	-	1,810,000
Net Asset Value of Investment in Mutual Fund/ULP	1,700,000	60,000
4 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Security Deposits	2,356,093	2,356,093
Other Loans and Advances (Refer Note No 4.1, 4.2)	15,682,790	15,594,518
	<u>18,038,883</u>	<u>17,950,611</u>
4.1		
Excise demand of Rs. 50,000,000/- out of which Rs. 10,000,000/- has been paid under protest to the Excise Department. Company has filed an appeal in Central Excise and Service Tax Appellate Tribunal against the order of Commission Adjudication - Excise Department. As per Order No: A/91082-91115/2017 dated 25/10/2017 passed by the Tribunal under section 35-C(1) of the Central Excise and Service Tax Act, 1994 said that all the parties shall get notice from the common adjudicating authority by April 2018 and readjudication shall be completed by June 30, 2018.		
4.2		
Following are the contingent liabilities, which has not been provided for:		
a) Bank Guarantee of Rs. 4,700,000/- issued to Assistant Commissioner, Central Excise, for deboning of the Unit.		
b) Excise Duty of Rs. 50,000,000/- out of which Rs. 10,000,000/- has been paid in protest for filing the appeal with the Tribunal.		
5 INVENTORIES (As certified by the management and valued at lower of cost and net realizable value)		
a) Raw Materials	45,330,203	49,852,671
b) Stock-in-progress	38,139,239	58,597,098
c) Finished Goods	106,069,441	51,258,849
d) Rejected Stock	5,103,448	6,773,204
e) Stores and Spares	9,742,097	7,438,689
	<u>204,384,428</u>	<u>173,920,511</u>

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
6 TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Outstanding for a period less than six months from the date they are due for payment	228,961,921	173,471,974
Outstanding for a period More than six months from the date they are due for payment	8,628,706	-
	<u>237,590,627</u>	<u>173,471,974</u>
6.1 Confirmation from customers were not received and their balances are shown as appearing in the accounts.		
7 CASH AND CASH EQUIVALENTS		
a) Balances with Banks:		
Current Accounts	10,058,554	14,748,002
Margin Money	8,284,401	8,430,604
Bank Deposits	8,461,648	29,349,584
b) Cash on Hand	1,610,163	1,567,038
	<u>28,414,766</u>	<u>54,095,228</u>
8 OTHER CURRENT ASSETS		
Advance Tax and TDS	4,206,762	5,926,914
Insurance Claim Receivable	30,312,549	30,312,549
Other Loans and Advances (Refer Note No 8.1)	75,408,678	33,326,709
	<u>109,927,989</u>	<u>69,566,171</u>
8.1 Speculative loss of Rs. 1,708,324.13 (2016-2017 - Rs. 1,708,324.13) incurred on trading of foreign currency, as per accounting policy, has been amortized in five years in equal installments.		

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The Comparative figures for the previous years have been regrouped, recast and rearranged wherever necessary to conform to current year's classification under Schedule-III of the Companies Act, 2013. Figures in parenthesis represent previous financial year's figures unless stated otherwise. Amounts are mentioned in Rupees.

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
9 SHARE CAPITAL		
AUTHORIZED		
10,750,000 (10,750,000) Equity Shares of Rs. 10/- each	107,500,000	107,500,000
ISSUED, SUBSCRIBED AND PAID UP		
10,745,849 (10,745,849) Equity Shares of Rs. 10/- each	107,458,490	107,458,490
Calls in Arrears	(63,454)	(63,454)
	<u>107,395,036</u>	<u>107,395,036</u>

9.1 The reconciliation of shares outstanding is set out below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	10,745,849	107,458,490	10,745,849	107,458,490
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,745,849	107,458,490	10,745,849	107,458,490

9.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of Equity Shares having a par value of Rs. 10 per shares. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

Dividend, if any, proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company in general meeting can't declare dividend in excess of the amount recommended by the Board. Dividend as declare in the ensuing Annual General Meeting shall be distributed within the period prescribed under the Companies Act, 2013.

In the event of winding up of the Company, Equity Shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. For the said purpose, the liquidator may set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out between the members.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

9.3 The details of Share Holders holding more than 5% shares:

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Suneel Gupta	3,461,841	32.22%	3,461,841	32.22%
Mrs. Sangeeta Gupta	2,586,172	24.07%	2,586,172	24.07%
Mr. Abhinav Gupta	1,186,000	11.04%	1,186,000	11.04%

9.4 Details of calls in Arrears

Unpaid Calls	31-03-2018	31-03-2017
By Officers	63,454	63,454
Total	63,454	63,454

9.5 The Company has not issued any equity shares for consideration other than cash in last five years immediately preceding the reporting date.

9.6 The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding March 31, 2018.

10 RESERVES AND SURPLUS

Capital Reserves		
Opening Balance	3,233,969	3,233,969
Add: Current Year Transfer	-	-
Closing Balance	<u>3,233,969</u>	<u>3,233,969</u>
Surplus		
Opening balance	110,988,293	81,863,918
Add: Net Profit for the current year	21,795,378	29,124,375
Closing Balance	<u>132,783,671</u>	<u>110,988,293</u>
Grant Total	<u>136,017,640</u>	<u>114,222,262</u>

11 LONG TERM BORROWINGS

Secured		
Term Loan		
from Bank (Refer Note No 11.1)	-	2,507,132
Unsecured		
from Directors (Refer Note No. 11.4)	48,404,959	15,000,000
from Others (Refer Note No. 11.5)	11,280,019	27,346,555
	<u>59,684,978</u>	<u>44,853,687</u>

11.1 Schedule maturity of Long-term borrowings:

Current Maturity (Refer Note No 11.2)		
Term Loans	<u>2,507,132</u>	<u>14,790,000</u>
	<u>2,507,132</u>	<u>14,790,000</u>
Non Current Maturity (Refer Note No 11.2)		
Term Loans	-	2,507,132
	-	<u>2,507,132</u>

Current maturity of long term borrowing are disclosed under "Other Current Liability" in Note Number-17 and Non Current maturity under "Secured Term Loan" in Note Number-11

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
11.2 Term Loan-II of Rs. 209 Lakh is taken during the year from Bank of Baroda for purchase of Machinery, secured by charge against respective Machineries and are repayable in twelve monthly installments. Outstanding loan amount as on March 31, 2018 is Rs. 25.07 Lakh (2016-2017 - Rs. 87.90 Lakh) and Tem Loan -I has been fully re-paid		
11.3 Unsecured loans have been taken from the directors at a simple rate of interest of 12% per annum on quarterly basis. The loan is repayable after five years from the date of the agreement. In case of default on repayment, simple interest @ 12% per annum for the period of default is payable		
11.4 Intercorporate unsecured loans have been taken from the companies at a simple rate of interest of 12% per annum on quarterly basis. The loan is repayable after five years from the date of the agreement. In case of default on repayment, simple interest @ 12% per annum for the period of default is payable.		
12 LONG TERM PROVISIONS		
Provision for Employee Benefits		
(a) Gratuity (unfunded)	3,646,085	3,742,657
(b) Bonus	1,420,793	1,155,823
(c) Leave Encashment (unfunded)	1,248,224	1,952,846
	<u>6,315,102</u>	<u>6,851,326</u>
13 DEFERRED TAX LIABILITY (NET)		
Difference of WDV of fixed assets between books and income tax	(89,848,323)	(76,518,423)
Disallowances under section 43B	1,705,835	2,746,645
Net Temporary Difference	(88,142,488)	(73,771,778)
Effective Rate of Income Tax	30.90%	30.90%
Deferred Tax Assets (Liability)	(27,236,029)	(22,795,479)
Less: Charged in Previous Year	(22,795,479)	(18,277,060)
Net Deferred Tax Assets (Liability)	(4,440,550)	(4,518,419)
14 OTHER NON CURRENT LIABILITIES		
Others (Refer Note No 14.1)	2,205,076	2,205,076
Buyers Credit (Refer Note No 14.2)	40,908,122	59,337,393
	<u>43,113,198</u>	<u>61,542,469</u>
14.1 Interest on late payment of Rs. 2,684,738/- (2016-2017 – Rs. 2,684,738/-) and Rs. 18,725/- (2016-2017 - Rs. 18,725/-) has been levied under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Appeal has been filed against this demand in the Court and provision has been created for this liability in the books of accounts. Out of this demand, Rs. 498,387/- has been deposited with the authorities under protest and adjusted with this provision amount		

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
14.2 Buyers Credit is taken from Bank of Baroda for payment of import of Machinery, secured by charge against respective Machinery. Outstanding buyers credit amount as on March 31, 2018 is YEN 6,64,74,037 (INR 40,908,122)		
15 SHORT TERM BORROWINGS SECURED		
- from Banks		
(a) Packing Credit Limits (Refer Note No 15.1)	170,797,704	147,307,739
(b) Foreign Bills Discounted (Refer Note No 15.1)	169,418,736	131,603,918
	<u>340,216,440</u>	<u>278,911,657</u>
15.1 Packing Credit and Foreign Bills Limits are availed from Bank of Baroda and are secured by hypothecation of present and future stock of raw materials, stock in progress, finished goods, stores and spares, books debts and outstanding receivables.		
16 TRADE PAYABLES		
Other than Micro, Small and Medium Enterprises	93,180,732	58,272,108
	<u>93,180,732</u>	<u>58,272,108</u>
16.1 There are no amount due to the suppliers covered under the Micro, Small and Medium Act, 2006. This information takes into account only those suppliers who have responded to the inquiries made by the Company for this purpose.		
17 OTHER CURRENT LIABILITIES		
Income Received in Advance	1,051,515	208,234
Current Maturities of Long Term Debt	2,507,132	14,790,000
Other Payables	12,944,331	14,277,651
	<u>16,502,978</u>	<u>29,275,885</u>
Other Payables Include:		
Expenses Payable	10,989,833.01	12,417,158.44
Duties and Taxes	1,954,498.00	1,860,493.00
18 SHORT TERM PROVISION		
(a) Provision for Employee Benefits		
(i) Salary and Reimbursement	5,023,193	1,548,440
(ii) Employees Contribution To Provided Fund	387,906	343,424
(iii) Employees Contribution to ESI	134,165	106,170
(b) Others		
(i) Income Tax	10,598,946	8,751,365
	<u>16,144,210</u>	<u>10,749,399</u>

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
19 REVENUE FROM OPERATION		
(a) Sale of products		
- Export	749,759,968	650,482,795
- Domestic	71,502,900	88,190,354
(b) Other Operating Revenues (Refer Note No- 19.1)	62,020,330	76,432,872
	<u>883,283,198</u>	<u>815,106,021</u>
19.1 Merchandise Exports from India Scheme (MEIS) has been recognized on cash basis when actual sale made to any other Exporter.		
20 OTHER INCOME		
(a) Net gain/(loss) on Sale of Investment	(2,957,105)	(6,850,149)
(b) Interest and Dividend	2,472,081	2,343,435
(c) Other Non Operating Income	17,286,695	13,444,135
	<u>16,801,671</u>	<u>8,937,422</u>
20.1 Statement of Realized Profit/(Loss) on sale of Investments		
Sale of investment (Equity) realized	(742,677)	(6,658,262)
Sale of investment (Currency) realized	(455,082)	-
	<u>(1,197,759)</u>	<u>(6,658,262)</u>
21 COST OF MATERIAL CONSUMED		
Raw Material Consumed (Refer Note No 21.1)	485,397,571	434,722,183
Packing Material Consumed	31,645,186	25,119,607
Fuel Consumed	19,128,068	15,115,943
Dyes and Chemicals Consumed	51,022,828	52,652,182
Stores and Spares (Refer Note No 21.1)	18,934,978	13,371,648
Manufacturing Expenses	122,768,912	104,367,306
	<u>728,897,542</u>	<u>645,348,869</u>

21.1 Value of imported and indigenous raw materials, stores and spare parts, components consumed and percentage of each to the total consumption:

Particulars	2017-2018	
	Amount	Percentage
Raw Materials:		
Imported	-	-
Indigenous	485,397,571	100.00%
Stores and Spares:		
Imported	-	-
Indigenous	18,934,978	100.00%
Particulars	2016-2017	
	Amount	Percentage
Raw Materials:		
Imported	-	-
Indigenous	434,722,183	100%
Stores and Spares:		
Imported	261,662	2%
Indigenous	13,109,986	98%

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
21.2 IMPORTS (ON COST, INSURANCE AND FREIGHT BASIS)		
Stores and Spares	6,873,764	261,662
	<u>6,873,764</u>	<u>261,662</u>
22 PURCHASE OF STOCK IN TRADE		
Rugs, Bed sheet and Carpets	6,551,329	4,723,508
	<u>6,551,329</u>	<u>4,723,508</u>
23 CHANGE IN INVENTORY OF FINISHED GOODS AND STOCK IN PROCESS		
Opening Stocks		
Stock in Progress	58,597,098	23,582,937
Finished Goods	58,032,053	79,402,097
Less: Inventory Loss on Floods	-	(36,321,187)
	<u>116,629,151</u>	<u>66,663,847</u>
Closing Stocks		
Stock in Progress	38,139,239	58,597,098
Finished Goods	111,172,889	58,032,053
	<u>149,312,129</u>	<u>116,629,151</u>
Change in Inventory	<u>32,682,978</u>	<u>49,965,304</u>
24 EMPLOYEE BENEFIT EXPENSES		
Salaries and Incentives	29,791,881	27,809,759
Company's Contribution to PF and ESI	388,519	380,044
Staff Welfare	552,033	653,876
	<u>30,732,433</u>	<u>28,843,679</u>
25 FINANCIAL COST		
Interest paid on Unsecured Loan	5,789,191	5,056,108
Interest on Term Loan and Working Capital	15,718,187	7,846,199
Processing Charges and Bank Charges	6,091,990	8,239,853
	<u>27,599,369</u>	<u>21,142,160</u>
26 OTHER EXPENSES		
Clearing and Forwarding	38,294,756	33,765,707
Sales Promotion and Documentation	27,487,259	34,066,107
Travelling and Conveyance	4,377,354	7,903,187
Auditors' Remuneration	571,226	640,558
Electricity and Water Expenses	162,149	249,689
Rent, Rates and Taxes	530,891	403,977
Insurance	787,880	1,135,676
Vehicle Maintenance	749,158	804,030
Communication Expenditure	1,812,641	2,189,948
Fees and Subscription	380,485	494,396
Office Maintenance	359,932	566,494
Legal and Professional Charges	3,399,192	4,165,091
Other Office Expenses	4,688,557	4,600,241
	<u>83,601,479</u>	<u>90,985,101</u>

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
27 EXTRA ORDINARY ITEMS		
Prior Period Income /(Expenses)	(1,430,000)	(4,000)
Depreciation Written Back	4,513,688	-
Loss on Floods (Refer Note No 23.1)	-	(14,466,629)
Profit/(Loss) on Sale of Fixed Assets	644,990	172,093
	<u>3,728,678</u>	<u>(14,298,536)</u>
28 RELATED PARTY DISCLOSURES:		
(a) Following are related parties:		
Key Management Personnel		
Mr. Suneel Gupta (Managing Director)		
Mrs. Sangeeta Gupta (Whole Time Director)		
Mr. Abhinav Gupta (Whole Time Director)		
Mr. Girish Singh Adhikari (Chief Financial Officer)		
Ms. Sanjana Tandon (Company Secretary)		
(b) Related Party Transactions:		
Key Management Personnel		
Directors Salary	24,900,000	20,400,000
CFO Salary	4,02,640	330,600
Company Secretary Salary	330,000	242,000
Loans and Advance Taken		
Mrs. Sangeeta Gupta	29,288,253	11,000,000
Mr. Suneel Gupta	19,116,706	4,000,000
Interest Payable		
Mr. Suneel Gupta	1,016,706	431,998
Mrs. Sangeeta Gupta	1,888,253	7,180,897
Mr. Abhinav Gupta	<u>1,000,000</u>	<u>-</u>
(c) No balance has been written off and written back of the related parties during the year		
29 ACTIVITY IN FOREIGN CURRENCY		
Earnings in Foreign Currency (Realization Basis):		
FOB value of Export of Terry Towels	749,759,968	650,482,795
Expenditure/Remittances in Foreign Currency:		
Stores and Spares	6,873,764	261,662
Foreign Travelling	2,531,931	6,864,518
Purchase of Machinery	-	59,337,393
Net Earnings in Foreign Currency	740,354,273	584,019,222

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

PARTICULARS	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
30 EARNING PER SHARE		
Profit After Tax	21,795,378	29,124,375
Number of Equity Shares	10,745,849	10,745,849
Nominal Value of Each Equity Share	10	10
Basic Earning Per Share	2.03	2.71

As per our report of even date attached

For Agarwal & Gupta
Chartered Accountants

Sd/-
HEMENDRA KUMAR GUPTA
Partner
Membership Number: 090841
Place: New Delhi
Date : May 29, 2018

For and on behalf of the Board

Sd/-
SUNEEL GUPTA
Managing Director
DIN-00052084

Sd/-
SANJANA TANDON
Company Secretary
ACS No.: A2568

Sd/-
SANGEETA GUPTA
Whole Time Director
DIN-00052121

Sd/-
GIRISH SINGH ADHIKARI
Chief Financial Officer
PAN-AEEPA9502R

ASHNOOR TEXTILE MILLS LIMITED



Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L17226HR1984PLC033384

Name of the company: Ashnoor Textile Mills Limited

Registered office: Behrampur Road, Village Khandsa, Gurgaon, Haryana-122001

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name : 2. Name :
Address : Address :
E-mail Id : E-mail Id :
Signature : or failing him Signature : or failing him
3. Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual general meeting of the company, to be held on Saturday, the 29th day of September, 2018 at 9.30 a.m. at Behrampur Road, Village Khandsa, Gurgaon, Haryana-122001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Serial Number	Resolutions	Optional	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2018 together with the Report of the Directors' and the Auditors' thereon.		
2.	To appoint a Director in place of Ms. (Dr.) Sangeeta Gupta (DIN00052121), who retires by rotation and, being eligible, offers him for re-appointment.		
3.	To appoint Ms. Divya Agarwal (DIN-08016384) as Independent Director effective from December 9, 2018 for a period of 5 years.		
4.	To appoint of Ms. Noor Gupta (DIN-03611790), as Director in Promoter Category.		
5.	To approve re-appointment of Mr. Abhinav Gupta -Whole Time Director effective from February 1, 2019 for a period of three years and fix his remuneration.		
6.	To approve increase of Authorized Share Capital by altering clause V of the Memorandum of Association of the Company.		
7.	To create, offer, issue and allot 1,000,000 equity shares of Rs.10/- each at a price of Rs.22/- per share to the persons belonging to Promoter Category on preferential basis		
8.	To create, offer, issue and allot in one or more trenches 1,000,000 convertible warrants to the persons belonging to Promoter Category on preferential basis.		

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id :

DP ID :

Signed this day of 2018

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the Meeting.



ASHNOOR TEXTILE MILLS LIMITED

CIN: L17226HR1984PLC033384

Registered office: Behrampur Road, Village Khandsa, Gurgaon, Haryana-122001

Website : ashnoor.com * Email : atml_delhi@yahoo.com

Tel. No. : 0124-4809755, 4809756

ATTENDANCE SLIP

Registered Folio No./DPID No./Client ID No. :

Name and Address of the Member(s) :

Joint Holder 1 :

Joint Holder 2 :

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 35th Annual General Meeting of the Company at Behrampur Road, Village Khandsa, Gurgaon, Haryana-122001 on Saturday, 29th September, 2018 at 9:30 a.m.

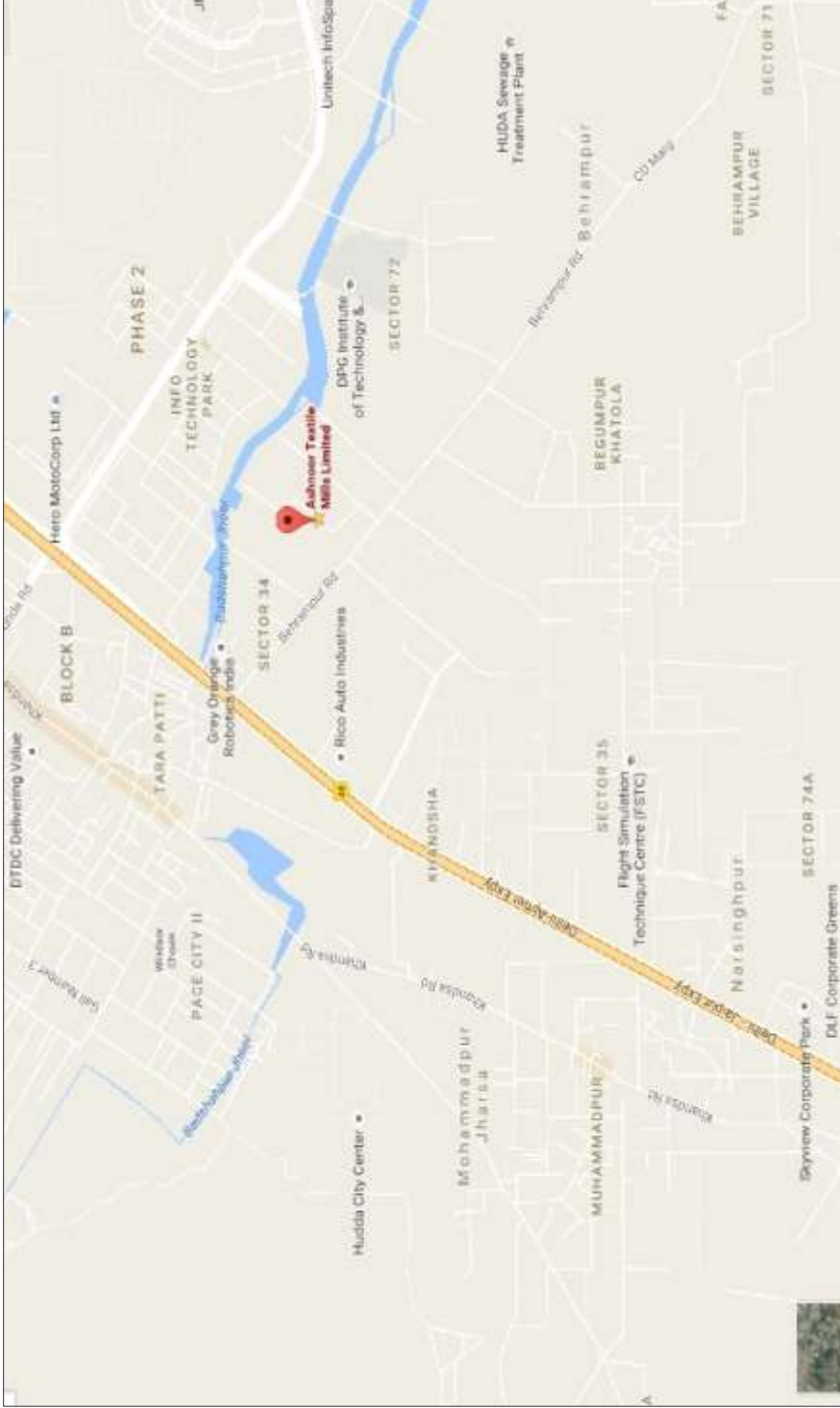
.....
Name of Member / Proxy

.....
Signature of Member / Proxy

Notes :

1. A member or his duly appointed Proxy wishing to attend the Meeting must complete this Attendance Slip and hand it over at the entrance.
 2. Name of the Proxy in Block letter (in case the Proxy attends the meetings).....
 3. Members are requested to bring their copies of the Annual Report to the Meeting.
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ASHNOOR TEXTILE MILLS LIMITED



Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
District Gurgaon, Haryana - 122 001