

Giri Textiles Private Limited

No.1/1,3rd Floor, Sri Ayyappa Complex,Opp.Pusphanjali Theatre,Dinnur Main Road,
R.T.Nagar, Bangalore - 560032

Balance Sheet as at 31-Mar-2020

In ₹ (Rupees)

	Particulars	Note	as at 31-Mar-2020		as at 31-Mar-2019	
I.	EQUITY AND LIABILITIES					
	1 Shareholders' Funds			-34,05,489		(15,43,467)
	(a) Share Capital	1	10,00,000		10,00,000	
	(b) Reserves and Surplus	2	-44,05,489		(25,43,467)	
	2 Non-Current Liabilities			47,84,173		51,05,863
	(a) Long-Term Borrowings	3	47,84,173		51,05,863	
	3 Current Liabilities			49,04,651		36,43,652
	(a) Trade Payables	4	45,76,429		33,19,532	
	(b) Other Current Liabilities	5	-27,987		200	
	(c) Short-Term Provisions	6	3,56,209		3,23,920	
	Total			62,83,335		72,06,048
II.	ASSETS					
	1 Non-Current Assets			14,65,897		15,00,954
	(a) Fixed Assets	7	8,44,990		9,54,706	
	(i) Tangible Assets		8,44,990		9,48,956	
	(ii) Intangible Assets		-		5,750	
	(b) Deferred Tax Assets (Net)	8	4,99,485		3,24,826	
	(c) Long-Term Loans and Advances	9	1,21,422		2,21,422	
	2 Current Assets			48,17,438		57,05,094
	(a) Inventories	10	26,63,812		25,80,564	
	(b) Trade receivables	11	20,48,190		30,64,128	
	(c) Cash and Cash Equivalents	12	83,436		55,403	
	(d) Short-Term Loans and Advances	13	22,000		5,000	
	Total			62,83,335		72,06,048

The Notes referred to above form an integral part of the Balance Sheet.

As per our report of even date

For **Prathik & Co.**

Chartered Accountants

Firm Reg. No : 012245S

Prathik P.

Proprietor

Membership No. : 222848



For and On behalf of the Board

S. Rajalakshmy

Rajalakshmy S Chittur
Managing Director

Sidharth Chittur

Sidharth Chittur
Director

Place: Bangalore

Date: 07-12-2020

Giri Textiles Private Limited

No.1/1,3rd Floor, Sri Ayyappa Complex,Opp.Pusphanjali Theatre,Dinnur Main Road,
R.T.Nagar, Bangalore - 560032

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

In ₹ (Rupees)

Particulars		Note No.	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31 March 2019
I	Revenue from Operations	14	95,30,750	1,39,43,349
II	Other Income	15	1,09,191	1,46,083
III	TOTAL REVENUE (I + II)		96,39,940	1,40,89,432
IV	EXPENSES			
	Purchases of Stock-in-Trade	16	64,89,211	90,74,559
	Changes in Inventories	17	-83,249	2,45,036
	Employee Benefit Expenses	18	16,66,136	13,93,515
	Finance Costs	19	42,248	48,850
	Depreciation and Amortization Expenses	20	1,57,816	1,22,923
	Other Expenses	21	34,04,459	30,83,463
	TOTAL EXPENSES		1,16,76,621	1,39,68,346
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		-20,36,681	1,21,085
VI	Exceptional Items		-	-
VII	Profit before Extraordinary Items and Tax		-20,36,681	1,21,085
VIII	Extraordinary Items		-	-
IX	Profit Before Tax		-20,36,681	1,21,085
X	Tax Expense		1,74,659	-41,061
	Current Tax		-	-
	Deferred Tax	22	1,74,659	-41,061
XI	Profit/(Loss) for the period from Continuing Operations(IX-X)		-18,62,022	80,024
XII	Profit/(Loss) from Discontinuing Operations		-	-
XIII	Tax Expense of Discontinuing Operations		-	-
XIV	Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)		-	-
XV	Profit(Loss) for the Period(XI+XIV)		-18,62,022	80,024
XVI	Earnings per Equity Share			
	-Basic		-	-
	-Diluted		-	-

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

As per our report of even date

For **Prathik & Co.**
Chartered Accountants
Firm Reg. No. : 012245S

Prathik P
Proprietor
Membership No. : 222848



For and On behalf of the Board

S. Rajalakshmy
Rajalakshmy S Chittur
Managing Director

Sidharth Chittur
Director

Place: Bangalore
Date: 07-12-2020

Giri Textiles Private Limited

Notes to and forming part of Balance Sheet as at 31-Mar-2020

1. Share Capital

1.1 Authorized, Issued, Subscribed and Paidup share capital

In ₹ (Rupees)

Particulars	as at 31-Mar-2020		as at 31-Mar-2019	
	No. of Shares (Rs.)	Amount (Rs.)	No. of Shares (Rs.)	Amount (Rs.)
Authorised Share Capital				
Equity Shares of ₹ 100.00 each	10,000	10,00,000	10,000	10,00,000
Total	10,000	10,00,000	10,000	10,00,000
Issued Share Capital				
Equity Shares of ₹ 100.00 each	10,000	10,00,000	10,000	10,00,000
Total	10,000	10,00,000	10,000	10,00,000
Subscribed and fully paid				
Equity Shares of ₹ 100.00 each	10,000	10,00,000	10,000	10,00,000
Total	10,000	10,00,000	10,000	10,00,000
Share Application Money Pending Allotment	-	-	-	-
Total	10,000	10,00,000	10,000	10,00,000

1.2 Reconciliation of share capital

Particulars	as at 31-Mar-2020		as at 31-Mar-2019	
	No. of Shares (Rs.)	Amount (Rs.)	No. of Shares (Rs.)	Amount (Rs.)
Equity Shares (Face Value ₹ 100.00)				
Shares outstanding at the beginning of the year	10,000	10,00,000	10,000	10,00,000
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	10,000	10,00,000	10,000	10,00,000

1.3 Shareholders holding more than 5% of Share

Particulars	as at 31-Mar-2020		as at 31-Mar-2019	
	No. of Shares (Rs.)	% of Holding	No. of Shares (Rs.)	% of Holding
Subramaniam S. Chittur	4,250	42.50	4,250	42.50
Rajalakshmy S. Chittur	4,250	42.50	4,250	42.50

2 . Reserves and Surplus

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Surplus	-45,47,178	-25,43,467
Opening Balance	-25,43,467	-26,23,491
(+) Net profit/(Net loss) for the Current Year	-20,03,711	80,024
Closing balance	-45,47,178	-25,43,467
Total	-45,47,178	-25,43,467

3 . Long-Term Borrowings

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Secured	1,98,586	3,70,178
Term Loans From banks	1,98,586	3,70,178
<i>ICICI Bank Loan A/c No.37154657</i>	1,98,586	3,70,178
Unsecured	45,85,587	47,06,715
Loans and Advances from Related Parties	45,56,825	47,06,715
<i>Rajalakshmi Chittur</i>	25,25,125	23,98,290
<i>Subramaniam Chittur</i>	20,31,700	23,08,425
Other Loans and Advances	28,762	28,970
<i>Bharath Vishwanath</i>	28,762	28,970
Total	47,84,173	51,05,863

4 . Trade Payables

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Others	45,76,429	33,19,532
Total	45,76,429	33,19,532

5 . Other Current Liabilities

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Other Payables	-27,987	200
Total	-27,987	200

6 . Short-Term Provisions

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Others	3,20,809	3,23,920
Total	3,20,809	3,23,920

8 . Deferred Tax Assets (Net)

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Deferred Tax Asset	3,22,396	3,24,826
Total	3,22,396	3,24,826

9 . Long Term Loans Advances

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Security Deposits	1,21,422	2,21,422
Unsecured, considered good	1,21,422	2,21,422
Total	1,21,422	2,21,422

10 . Inventories

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Stock-in-trade	26,63,812	25,80,564
Total	26,63,812	25,80,564

11 . Trade Receivables

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Outstanding for less than 6 months from the due date	19,16,296	19,86,927
Unsecured, considered good	19,16,296	19,86,927
Outstanding for more than 6 months from the due date	1,31,894	10,77,201
Unsecured, considered good	1,31,894	10,77,201
Total	20,48,190	30,64,128

12 . Cash Equivalents

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Balances with banks	39,033	9,103
In Current Account	39,033	9,103
Cash on hand	44,402	46,299
Total	83,436	55,403

13 . Short Term Loans Advances

In ₹ (Rupees)

Particulars	as at 31-Mar-2020	as at 31-Mar-2019
Other Loans and Advances	22,000	5,000
Unsecured, considered good	22,000	5,000
Total	22,000	5,000

Notes to and forming part of Statement of Profit and Loss for the year ended 31-Mar-2020

14 . Revenue from Operations

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Sale of Products	95,30,750	1,39,43,349
Total	95,30,750	1,39,43,349

15 . Other income

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Other Non-Operating Income	1,09,191	1,46,083
Total	1,09,191	1,46,083

16 . Purchases of Stock-in-Trade

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Interstate Purchase @ 12%	20,24,428	19,38,809
Interstate Purchase @ 18 %	-	38,668
Interstate Purchase @ 5%	2,34,658	13,00,416
Local Purchase @ 18%	2,01,453	50,169
Local Purchase @ 5%	2,52,184	3,50,880
Local Purchases @ 12%	37,76,488	53,45,391
Purchase Others		50,226
Total	64,89,211	90,74,559

17 . Changes in Inventories

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Stock-in-Trade		
-Opening Balance	-83,249	2,45,036
Less : Closing Balance	25,80,564	28,25,600
	26,63,812	25,80,564
Total	-83,249	2,45,036

18 . Employee Benefit Expenses

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Salaries and Wages	15,25,891	13,03,773
Contribution to Provident Fund and Other Funds	1,21,945	89,742
Staff Welfare Expenses	18,300	-
Total	16,66,136	13,93,515

19 . Finance Costs

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Interest Expense	42,248	48,850
Total	42,248	48,850

20 . Depreciation and Amortization Expenses

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Depreciation	1,57,816	1,22,923
Total	1,57,816	1,22,923

21 . Other Expenses

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Payment to Auditor as Audit Fee	35,400	35,400
Power and fuel	13,800	43,898
Rent	5,22,000	6,12,000
Repairs to machinery	1,38,162	-
Insurance	28,124	-
Rates and taxes (excluding taxes on income)	1,44,407	-
Miscellaneous expenses	25,22,566	23,92,165
Total	34,04,459	30,83,463

22 . Deferred tax

In ₹ (Rupees)

Particulars	1-Apr-2019 to 31-Mar-2020	1-Apr-2018 to 31-Mar-2019
Provision for Deferred Tax	1,74,659	-
Total	1,74,659	-

7. Fixed Assets Schedule

Particulars	Gross Block						Depreciation and Amortization		Net Block	
	Opening Balance	Additions	Deductions / Retirement	Closing Balance	Opening Balance	Depreciation charge	On Disposals / Reversals	Closing Balance	Opening Balance	Closing Balance
Tangible Assets										
Buildings	30,11,992	48,100		30,60,092	20,57,286	1,57,816		22,15,102	9,54,706	8,44,990
Freehold Buildings										
Leasehold Buildings										
Plant and Equipment	28,12,123			28,12,123	18,83,656	1,49,157		20,32,813	9,28,467	7,79,310
Freehold Plant and Equipment	28,12,123			28,12,123	18,83,656	1,49,157		20,32,813	9,28,467	7,79,310
Leasehold Plant and Equipment										
Furniture and Fixtures	1,82,769	47,900		2,30,669	1,73,630	4,550		1,78,180	9,139	52,489
Freehold Furniture and Fixtures	1,82,769	47,900		2,30,669	1,73,630	4,550		1,78,180	9,139	52,489
Leasehold Furniture and Fixtures										
Vehicles										
Freehold Vehicles										
Leasehold Vehicles										
Office Equipment	17,100	200		17,300				4,109	17,100	13,191
Freehold Office Equipment	17,100	200		17,300				4,109	17,100	13,191
Leasehold Office Equipment										
Total	30,11,992.00	48,100.00		30,60,092.00	20,57,286.00	1,57,816.00		22,15,102.00	9,54,706.00	8,44,990.00
Intangible Assets										
Goodwill										
Goodwill										
Brands /Trademarks										
Brands /trademarks										
Computer Software										
Computer software										
Others										
Others Intangible Assets										
Total	-	-		-	-	-		-	-	-
Grand Total	30,11,992.00	48,100.00		30,60,092.00	20,57,286.00	1,57,816.00		22,15,102.00	9,54,706.00	8,44,990.00

Giri Textiles Private Limited

Notes to and forming part of Balance Sheet for the year ended 31-Mar-2020 (contd.)

21. Significant Accounting Policies:

1) Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. Except where otherwise stated, the accounting policies are consistently applied.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Current assets / liabilities include the current portion of noncurrent financial assets / liabilities respectively. All other assets / liabilities are classified as noncurrent.

2) Use of estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3) Cash flow statement:

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

4) Depreciation and amortisation:

Depreciation has been provided on the Straight Line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Intangible assets are amortised over their estimated useful life. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

5) Revenue recognition:

The Company's Income from operations is accounted for on accrual basis except for income from such accounts which are in default. Sales of products are recognized on dispatch of goods. Gross sales are stated at inclusive of excise duty and net of sales tax/VAT.

Delayed payment charges and miscellaneous service charges are accounted on receipt basis. Other items of income are accounted as and when the right to receive arises.

considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. No provision for Retirement Benefits has been made as per the Accounting Standard – 15 (Revised) in the absence of an actuarial valuation being conducted by the Company during the year.

12) Borrowing costs:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

13) Segment reporting:

Segment reporting is not applicable to the Company.

14) Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Operating lease payments towards the factory and the office premises are recognised as expenditure by way of debit to the Profit & Loss Account.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

15) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

16) Taxes on income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income

24. Payment to Auditors:

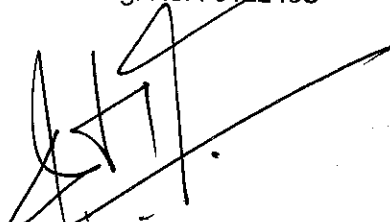
Sl. No.	Particulars	Amount in Rs.	
		2019-20	2018-19
1.	Towards Audit Fees	35,400	35,400

25.

- (a) Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.
- (b) Balances shown under Long-term borrowings, Short-term borrowings, Long term provisions, Short term provisions, Trade payables, Other current liabilities, Long term loans and advances, other non-current assets, inventories, Trade Receivables, Short term loans and advances and other current assets etc. are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the current year's financial statements.

As per our report of even date

For **Prathik & Co.**
Chartered Accountants
Firm Reg. No. : 012245S



Prathik P.
Proprietor
Membership No. : 222848

For and on behalf of the Board



Rajalakshmy S. Chittur
Managing Director



Sidharth Chittur
Director

Place: Bangalore
Date: 07-12-2020

Independent Auditor's Report

**To the Members of
GIRI TEXTILES PRIVATE LIMITED**

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the standalone financial statements of GIRI TEXTILES PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss, 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, 2020 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.

Key Audit Matters

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, of the



Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements


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, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 does not have any pending litigations which would impact its financial position
- 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 Company34}.

For **M/s.Prathik&Co..**
Chartered Accountants
Firm Reg. No. 012245S


Prathik P.
Proprietor
Membership No. 22848



Date: 07-12-2020
Place: Bengaluru

Annexure "A" to the Independent Auditor's Report of Even Date on the Financial Statements of Giri Textiles Private Limited

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

We have audited the internal financial controls over financial reporting of Giri Textiles Private Limited ("the Company") as of March 31st, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

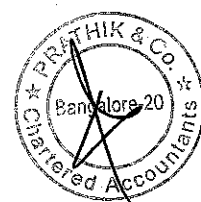
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide



reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that-

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

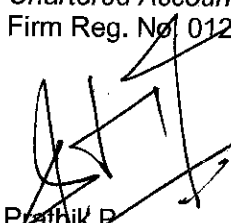
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s.Prathik &Co..**
Chartered Accountants
Firm Reg. No. 012245S


Prathik P.
Proprietor
Membership No. 22848



Date: 07-09-2019
Place: Bengaluru