

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

GIT TEXTILES MANUFACTURING LTD.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **GIT TEXTILES MANUFACTURING LTD.** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Loss for the year then ended, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its **Loss** for the year ended on that date.

Basis of Qualified Opinion

Attention is drawn to the following:

1. Refer to Note No. 2.24, which states that – "The Company has not provided during the year deferred tax asset on brought forward losses of Rs.207604998/- and current loss of Rs. 10381949 as per Income tax act and difference in WDV of Assets Rs. 6573257/-, as there is no certainty of profit arising immediately. Deferred Tax Liability recognized in earlier years has been reversed."
2. Refer to Note No. 2.25, which states that – "During the current year as well as from the financial year 2012-13, the Company has not provided any interest on the following bank accounts, as the bank has declared the account as NPA.
 - i. Term Loan 1
 - ii. Term Loan 2
 - iii. CC Account
 - iv. External Commercial borrowings

Instalment of Term Loans from UCO Bank, which was to begin from December 2011, but not a single instalment has been repaid during the year. Also repayment of External Commercial Borrowing has not been done. The quantification of interest payable has not been done in absence of bank confirmation." Any information on subsequent movements on the case is not known to us.



3. Refer to Note No. 2.26, regarding case pending with UCO bank under SARFAESI ACT, 2002 and other disputes with the bank regarding the same. It is still going on.
4. Refer to Note No. 2.27, which states that – “The Company’s net worth is fully eroded and the continuance of the Company totally depends upon fresh infusion of share capital and borrowed fund, therefore going concern concept is in doubt.”
5. Refer to Note No. 2.28, which states that – “Balances shown under the note 2.3, 2.4, 2.5, 2.6, 2.8, 2.9, 2.10, 2.11, 2.12 remain unconfirmed and are subject to adjustments/reconciliation.

We conducted our audit of financial statements in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. 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 (“ICAI”) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management’s responsibility for the Financial Statements

The Company’s management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and 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, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate



internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors is 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order 2016 issued by the Government of India in terms of sub section (11) of sec 143 of the Companies' Act 2013, we give in "**Annexure A**" on statement on the matters specified in paragraph 3 & 4 of the order.

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, except books of accounts maintained at factory, outstanding statutory liabilities, and latest development of case with UCO Bank.
- 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 written representations received from the director's as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f. Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and it does not have any borrowings from banks and financial institutions at any time during the year, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017.



- 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 have pending litigations. Refer note no. 2.26 to the financial statements.
 - ii. The company did not have any long term contracts including derivative contracts for which there were material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company at the end of the year.

For **R.P. Boobna & Co**
Chartered Accountants
Regn no. 304093E

Kushal Kakarania
KUSHAL KAKARANIA
Partner
Membership No. 311734



Place: Kolkata
Date: 24th day of November, 2021

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of the company on the standalone financial statements for the year ended 31 March 2021.

We report that:

As required by the Companies (Auditors' Report) Order 2016 issued by the Government of India in terms of sub section (11) of sec 143 of the Companies' Act 2013, we provide below a statement on the matters specified in paragraph 3 & 4 of the said order and on the basis of such checking of the Books and Records as we consider appropriate and the information and explanations given to us during the course of our Audit, we further report that:

- i (a) As informed by the management, the company has not maintained Fixed Assets Register.
- (b) As informed to us the company does not have a regular programme of physical verification of its fixed assets by which fixed assets are verified.
- (c) Title deeds of immovable properties could not be verified as the same is mortgaged with the bank. No such certificate from the bank has been produced before us.
- ii) The company does not have any inventory and therefore reporting under this clause has not been done.
- iii) According to the information and explanation given to us, the company has not granted unsecured loans, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3 is not applicable to the company. Please refer Note No. 2.21.
- iv) With respect to loans, investments, guarantees and securities and provisions of Sec. 185 & 186 of Companies Act, 2013. Please refer to Note No. 2.21.
- v) As informed, the company has not accepted any deposit from the public covered under the terms of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Act & rules framed there under.
- vi) As explained to us the Central Government has not prescribed the maintenance of cost records under sub sec (1) of sec 148 of the Companies Act, 2013.
- vii) a) According to the information and explanation given to us undisputed statutory dues including GST, Professional tax, ESI, Provident Fund and TDS have not been regularly deposited with the appropriate authorities.
Outstanding dues for more than 6 months are:
TDS – Rs. 5500
GST – Rs. 912786
ESIC – Rs. 2322
EPF – Rs. 249000
Labour Welfare – Rs. 6
Professional Tax – Rs. 35355
(b) On the basis of our examination of the documents and records and according to the information and explanation given to us there are no disputed statutory liabilities with respect to above.
- (viii) Based on our audit procedure and as per the information provided to us, the company has not repaid its dues to financial institutions, and banks at the end of financial year covered by the audit. Refer to Note no. 2.25 and 2.26.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The company has taken term loans in earlier years for its project and utilized for the same. Please refer to note no. 2.25 and 2.26.



- (x) On examination of books of accounts and according to the information and explanation given to us no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration has been paid during the year in accordance with the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) The clause (xii) regarding Nidhi Co. is not applicable to the company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 & Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Note no. 2.21 of the notes to the financial statements as required by the applicable accounting standards.
- (xiv) No preferential allotment/private placement has been made. Therefore, reporting under clause 3(xiv) of the said Order is not applicable.
- (xv) The company has not entered into any non cash transactions with directors or persons connected with him hence clause 3(xv) of the Order is not applicable to the company;
- (xvi) The company is not a Non-Banking Financial Institution under section 45 IA of the Reserve Bank of India Act, 1934.

For **R.P.Boobna & Co**
Chartered Accountants
Regn no. 304093E

Kushal Kakarania

KUSHAL KAKARANIA
Partner
Membership No. 311734



Place: Kolkata
Date: 24th day of November, 2021

GIT TEXTILES MANUFACTURING LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

(in `)

Particulars	Note No.	As at	
		31/03/2021	31/03/2020
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	1,95,48,400	1,95,48,400
Reserves and surplus	2.2	(15,88,64,556)	(13,93,16,156)
Non-Current Liabilities			
Long-term borrowings	2.3	22,90,90,399	22,90,90,399
Deferred tax liabilities (Net)		-	1,33,24,621
Current Liabilities			
Short-term borrowings	2.4	1,84,98,006	1,83,06,506
Trade payables	2.5	1,41,42,428	1,43,32,709
Other current liabilities	2.6	17,99,011	12,23,492
			3,44,39,445
TOTAL			12,42,13,688
II. ASSETS			
Non-current assets			
Tangible assets	2.7	6,96,82,933	7,82,03,442
Long term loans and advances	2.8	91,57,231	89,97,709
Other non-current assets	2.9	4,17,62,174	12,06,02,338
Current Assets			
Inventory	2.19	0	0
Trade receivables	2.10	29,722	29,722
Cash and cash equivalents	2.11	51,011	46,462
Short-term loans and advances	2.8	-	-
Other current assets	2.12	35,30,616	36,11,350
			40,87,794
TOTAL			12,42,13,688
			13,31,27,304

Significant Accounting Policies & Notes on Financial Statements
The notes are an integral part of the financial statements

1 & 2

As per our report of even date

209, AJC BOSE ROAD
Room No.87, KARNANI ESTATE
2ND FLOOR
Kolkata 700 017
Dated :24th November 2021

For R.P. BOOBNA & CO.
Chartered Accountants
Registration No : 304093E
Kushal Kakarania
Kushal Kakarania
Partner
Membership No . 311734

For GIT Textiles Manufacturing Ltd.

For GIT Textiles Manufacturing Ltd.

[Signature]
Director

[Signature]
Director

Director

Director



GIT TEXTILES MANUFACTURING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(in `)

Particulars	Note No.	For the Year Ended 31/03/2021	For the Year Ended 31/03/2020
INCOME			
Revenue from operations	2.13	-	63,94,837
Other Income	2.14	1,000	4,80,36,067
Total Revenue		1,000	5,44,30,904
EXPENSES			
Purchases	2.15	-	47,83,354
Employee benefit expense	2.16	4,50,075	10,51,135
Finance costs	2.17	-	3,157
Manufacturing Expenses	2.18(a)	31,757	16,99,468
Depreciation		37,93,117	1,36,23,932
Other expenses	2.18(b)	52,16,406	4,23,45,489
Changes in inventory of stock in trade	2.19	-	4,68,765
Total Expenses		94,91,354	6,39,75,300
Profit before Exceptional Items		(94,90,354)	(95,44,396)
Depreciation Reversed		-	-
Profit before Extraordinary Items		(94,90,354)	(95,44,396)
Interest Charges Reversed			
Excise Duty Received			
Profit before tax		(94,90,354)	(95,44,396)
Tax expense:			
Current Tax		-	-
Deferred Tax Charge/(Credit)		(1,33,24,621)	-
Profit for the year (after tax)		38,34,267	(95,44,396)
Basic & Diluted Earning Per equity Share of ` each (In Rupees)		1.96	(4.88)

Significant Accounting Policies &
Notes on Financial Statements
The notes are an integral part of the financial statements

1 & 2

For GIT Textiles Manufacturing Ltd.

Director

Director

209, AJC BOSE ROAD
Room No.87, KARNANI ESTATE
2ND FLOOR
Kolkata 700 017
Dated :24th November 2021

As per our report of even date

For R.P. BOOBNA & CO.

Chartered Accountants
Registration No : 304093E

Kushal Kakarania

Partner

Membership No. 311734

For GIT Textiles Manufacturing Ltd.

Director

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

A	CASH FLOW FROM OPERATING ACTIVITIES	2020-21	2019-20
	Net Profit before tax and extraordinary items	(9490354)	(9544396)
	Depreciation	3793117	13623932
	(Profit)/Loss on Assets	4087392	38825416
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1609845)	42904952
	(Increase)/Decrease in Current Assets	557178	4680017
	Increase/(Decrease) in Current Liabilities	576738	(56562654)
	Increase/(Decrease) in Loans & Advances	0	
	(Increase)/Decrease in Stock in trade	0	
	CASH GENERATED FROM OPERATIONS	1133916	(51882637)
	Financial Expenses		
	Direct Taxes Paid		
	NET CASH FROM OPERATING ACTIVITIES (A)	(475929)	(8977685)
	B		
	CASH FLOW FROM INVESTING ACTIVITIES		
	(Increase)/Decrease in Bank Deposits (Net)		
	Purchase of Fixed Assets		
	Sale of Fixed Assets	640000	3719000
	NET CASH FROM INVESTING ACTIVITIES (B)	640000	3719000
	C		
	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase in Secured Loan		
	Decrease in Secured Loan		
	Increase in Unsecured Loan		
	Increase in Loans & Advances	(159522)	4908319
	Decrease in Unsecured Loan		
	Payment of dividend and taxes thereon		
	NET CASH FROM FINANCING ACTIVITIES (C)	(159522)	4908319
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	4548	(350366)
	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	46462	396828
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	51011	46462

As per our report of even date

209, AJC BOSE ROAD
Room No.87, KARNANI E
2ND FLOOR
Kolkata 700 017
Dated :24th November 2021

For R.P. BOOBNA & CO.
Chartered Accountants
Registration No : 304093E

Kushal Kakarania

Kushal Kakarania
Partner
Membership No . 311734



For GIT Textiles Manufacturing Ltd.

Director

[Signature]
Director

For GIT Textiles Manufacturing Ltd.

Director

[Signature]
Director

GIT TEXTILES MANUFACTURING LIMITED

Note to the Financial Statements for the year ended 31.03.2021

Particulars	As on 31/03/2021	As on 31/03/2020
2.1 SHARE CAPITAL		
Authorised		
3000000 equity share of rs. 10/-each	30000000	30000000
	30000000	30000000
Issued subscribed and paid up		
1954840 equity share of rs 10/-each	19548400	19548400
	19548400	19548400

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the reporting period.

The company has only one class of issued shares i.e Ordinary Shares having par value of `10/- per share. Each holder of Ordinary Shares is entitled to One vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting , except in case of interim dividend. In the event of liquidation , the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their Shareholding.

The Company does not have any Holding Company/ ultimate Holding Company .

Details of Shareholders holding more than 5% Shares in the Company.

Ordinary Shares of `10/- each fully paid

	As On 31.03.2021		As On 31.03.2020	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Hemant Kumar Goenka	670840	34.32	670840	34.32
Manjula Goenka	730000	37.34	730000	37.34

No Ordinary Shares have been reserved for issue under option and contracts/ commitments for the sale of shares/ disinvestment as at the balance sheet date

No Shares has been allotted or bought back by the company during the period of 5 years preceeding the date at which the balance sheet is prepared

No Securities convertible into Equity/ Preference Shares issued by the company during the year.

No calls are unpaid by any director or officer of the company during the year.

Particulars	(in `)	
	As on 31/03/2021	As on 31/03/2020
2.2. RESERVES AND SURPLUS		
Securities Premium Reserve		
As per last financial Statements	51951600	51951600
General Reserve		
As per last financial Statements	13645000	13645000
Surplus as per Profit & Loss Statement		
As per last financial Statements	(228295423)	(218751027)
(+) Profit/Loss for the year	3834267	(9544396)
TOTAL (A)	(158864556)	(162698823)

For GIT Textiles Manufacturing Ltd.

[Signature]
Director

For GIT Textiles Manufacturing Ltd.

[Signature]
Director



Particulars	Non - current portion		Current Maturities (in `)	
	As on 31/03/2021	As on 31/03/2020	As on 31/03/2021	As on 31/03/2020
2.3. LONG-TERM BORROWINGS				
Secured (Refer to note no. 2.25 & 2.26)				
A. Loans from Banks				
Uco bank Term loan 1	6,56,15,899	6,56,15,899	-	-
Uco bank Term loan 2	1,00,02,862	1,00,02,862	-	-
Uco Bank CC Account	(588)	(588)		
Other Disputed Liabilities				
Uco bank Term loan 1	3,00,56,000	3,00,56,000		
Uco bank Term loan 2	2,37,99,657	2,37,99,657		
Uco Bank CC Account	1,78,10,354	1,78,10,354		
External commercial borrowing	5,50,00,000	5,50,00,000		
Exchange Rate Fluctuation in ECB	41,60,465	41,60,465		
Subsidies received by UCO Bank on behalf of Company	76,45,750	76,45,750		
B. Deposits				
Long Term Deposits	1,50,00,000	1,50,00,000		
TOTAL (A)	229090399	229090399	0	0

As per UCO Bank sanction letter

The company has recasted current and previous year figures of the liabilities from Bank in the FY 2019-20 year.

UCO Bank Term loan shown in the financial statements for FY 2017-18 were as follows: Term Loan 1 - Rs. 102306268, Term Loan 2 - Rs. 34813900, UCO Bank CC A/c - Rs. 17809766 and External Commercial Borrowing - Rs. 59160465.

For term loan 1:-	The total repayment period revised to 10 yuears including 3 years moratorium. The term loan will be repaid in 28 staggered quaterly instalments last Instalment is payable in september 2018.
For term loan 2:-	The total repayment period revised to 10 yuears including 2 years moratorium. The term loan will be repaid in 32 staggered quaterly instalments last Instalment is payable in september 2019.
Rate of interest	BLPR- 1.00% i.e. at present 11.25%p.a. on monthly rests intrest to be serviced as and when charged
For term loans:-	First charge by hypothecation of entire plant and machinery, all types of fixed assets financed by bank as well as to be purchased by the party from their own funds (both present and future)and mortgage of factory land and building.
Collateral security:-	Collateral security of 1crore fixed deposit of one property in kolkata belonging to third party.
External commercial borrowing:-	Ecb will be paid in three equal instalments from the F.Y.2014-15
Guarantee	one director
For uco bank c.c. account Security	First charge on all current assets including book debts.

Charge Amount - Rs. 204100000, Date of Creation - 22/08/2008; Date of Modification - 18/08/2010

Particulars	As on 31/03/2021	As on 31/03/2020
2.4 : SHORT-TERM BORROWINGS		
Loan repayable on demand (Unsecured)		
H.R. Brothers	1,45,00,000	1,45,00,000
H.S.Mercantile limited	14,74,970	12,83,470
Nandan Denim Ltd.	23,037	23,037
Satyam Security & Finance (p) Ltd	25,00,000	25,00,000
	18498006	18306506
		(in `)
2.5 : TRADE PAYABLES		
For Goods & Services		
	1,41,42,428	1,43,32,709
	14142428	14332709

For GIT Textiles Manufacturing Ltd.

[Signature]
Director

For GIT Textiles Manufacturing Ltd.

[Signature]
Director



2.7 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		SUM
	AS ON	ADDITION DURING	DELETION DURING	TOTAL AS ON	AS ON	FOR THE PERIOD	ADJUSTMENT	TOTAL AS ON	AS ON	AS ON	Rate
	01-04-2020	THE PERIOD	THE PERIOD	31-03-2021	31-03-2020	PERIOD		31-03-2021	31-03-2021	31-03-2020	
Owned Assets											
TELEPHONE	53,720			53,720	34,316	5,103.00		39,419	14,301	19,403	9.5
BUILDING:	6,17,47,183			6,17,47,183	1,49,70,727	19,57,386.00		1,69,28,113	4,48,19,070	4,67,76,457	3.17
LAND (including land on lease)	1,72,74,600			1,72,74,600		-			1,72,74,600	1,72,74,600	
FURNITURE & FIXTURE	4,22,143			4,22,143	2,98,323	40,104.00		3,38,427	83,716	1,23,820	9.5
OFFICE EQUIPMENT	2,64,701			2,64,701	1,26,131	25,147.00		1,51,278	1,13,423	1,38,570	9.5
ELECTRICAL EQUIPMENT	5,21,163		43,000	4,78,163	2,77,665	31,855.00		3,09,520	1,68,643	2,43,498	6.33
AIR CONDITIONER	32,000			32,000	24,816	3,040.00		27,856	4,144	7,184	9.5
COMPRESSORS	1,13,35,830		1,13,35,830		60,53,473	5,97,965.00	66,51,438			52,82,357	6.33
DROP PINS	18,71,000			18,71,000	9,99,137	1,18,434.00		11,17,571	7,53,429	8,71,864	6.33
MATERIAL HANDLING EQ* Electrical Hoist Hand Pallet Truck Trolley	14,83,374			14,83,374	7,92,139	93,898.00		8,86,037	5,97,337	6,91,235	6.33
HUMIDIFICATION PLANT	96,20,914			96,20,914	51,37,687	6,09,004.00		57,46,691	38,74,223	44,83,226	6.33
INSPECTION MACHINE	27,00,878			27,00,878	14,42,302	1,70,966.00		16,13,268	10,87,610	12,58,576	6.33
KNOTTING MACHINE	5,52,650			5,52,650	2,95,122	34,983.00		3,30,105	2,22,545	2,57,529	6.33
OVERHEAD CLEANER	7,32,559			7,32,559	3,91,196	46,371.00		4,37,567	2,94,992	3,41,363	6.33
TOOLS	3,02,634			3,02,634	1,61,158	19,157.00		1,80,315	1,22,319	1,41,476	6.33
TRANSFORMER	6,27,240			6,27,240	3,34,954	39,704.00		3,74,658	2,52,582	2,92,286	6.33
TOTAL:-	10,95,42,589			9,81,63,759	3,13,39,147	37,93,117		2,84,80,826	6,96,82,933	7,82,03,443	
Previous Year	30,93,90,367			30,93,90,367	14,80,79,441	2,69,39,136		17,50,18,577	13,43,71,789	16,13,10,926	



For GIT Textiles Manufacturing Ltd.

[Signature]
Director

For GIT Textiles Manufacturing Ltd.

[Signature]
Director

Particulars	As on 31/03/2021	As on 31/03/2020
2.6 OTHER CURRENT LIABILITIES		
Current Maturities on Long-term Debt (See Note 2.3) (Refer to note no. 2.28 & 2.30)	0	0
Statutory liability:		
TDS Payable	5,500	35,332
GST Payable	9,12,786	8,54,721
ESIC Payable	2,322	(7,876)
EPF Payable	2,49,000	2,49,000
Labour Welfare Fund	6	-
Professional Tax Payable	35,355	35,155
R.P. Boobna & Co.	1,16,560	57,160
Hemant Goenka	4,77,482	-
	1799011	1223492

Particulars	Long - Term		Short - Term	
	As on 31/03/2021	As on 31/03/2020	As on 31/03/2021	As on 31/03/2020
Security Deposits	561749	561749		
Omega Trading Corporation	8595482	8300000		
Advance Tax and Tax deducted at source Net off Income				
Tax Paid	0	135960	-	-
TOTAL	9157231	8997709	-	-

Particulars	(in `)	
	As on 31/03/2021	As on 31/03/2020
2.9 OTHER NON-CURRENT ASSETS		
Others		
Fixed deposit with uco bank	10628588	10628588
UCO Bank Receivable A/c R(efer note no 2.28 & 2.30)	31133586	31133586
	41762174	41762174

Particulars	As on 31/03/2021	As on 31/03/2020
2.10 TRADE RECEIVABLES		
Unsecured		
Outstanding for a period exceeding six months	29,722	29,722
Outstanding for a period less than six months		
Considered good	-	-
	29722	29722

Particulars	As on 31/03/2021	As on 31/03/2020
2.11 CASH AND CASH EQUIVALENTS		
Balances With Banks		
On Current Account		
Axis Bank	29494	889
UCO Bank	19868	19868
Cash in hand and as imprest	1649	25706
	51011	46462

Particulars	As on 31/03/2021	As on 31/03/2020
2.12 OTHER CURRENT ASSETS		
Others		
Indo Bangla Merchants (p) Ltd	716737	716737
Advances for expenses	580000	580000
Shantanu Banik	400000	400000
Interest receivable	76049	76049
Interest Deposit(Uttar Gujrat Vig Co Ltd)	25926	25926
Interest accrued on F.D. with bank	1731904	1731904
Hemant Goenka	0	557178
	3530616	4087794

For GIT Textiles Manufacturing Ltd.

For GIT Textiles Manufacturing Ltd.



[Signature]
Director

[Signature]
Director

(in `)

Particulars	As at 31/03/2021	As at 31/03/2020
2.13 REVENUE FROM OPERATIONS		
Jobwork Sales	0	7425663
Debit Note on sales/ Discounts Given	0	-1030826
TOTAL REVENUE	0	6394837

Particulars	As at 31/03/2021	As at 31/03/2020
2.14 OTHER INCOME		
ECB Interest Received	0	172166
Interest on Deposits	0	28807
Profit on Settlement	0	47500000
Prior Period Adjustment	0	147502
Rent	0	126000
Interest on IT Refund	1000	61592
Total	1000	48036067

Particulars	As at 31/03/2021	As at 31/03/2020
2.15 PURCHASES		
Purchases	0	4783354
TOTAL	0	4783354

Particulars	As at 31/03/2021	As at 31/03/2020
2.16 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus, Gratuity & allowances	400000	912259
Medical Expenses	0	137451
Contribution to Provident & Superannuation Fund	50075	1425
TOTAL	450075	1051135

Particulars	As at 31/03/2021	As at 31/03/2020
2.17 FINANCE COST		
Interest Expenses		
Other interest and charges	0	3157
Total	0	3157

Particulars	As at 31/03/2021	As at 31/03/2020
DEPRECIATION AND AMORTIZATION EXPENSES / IMPAIRMENT LOSS		
Depreciation on tangible assets	3793117	13623932
TOTAL	3793117	13623932

For GIT Textiles Manufacturing Ltd

For GIT Textiles Manufacturing Ltd

Sriachinthe Dga

Director



Particulars	As at 31/03/2021	As at 31/03/2020
2.18 (a) Manufacturing/Processing Expenses		
Payment made to contractor	0	479766
Consumables	0	252390
Electric Repair	0	6450
Electricity	31757	805524
Transportation Expenses	0	81449
Sample Charges	0	72090
processing Charges	0	1800
	31757	1699468
2.18 (b) OTHER EXPENSES		
Rent	0	1007658
Rates & Taxes	0	10000
Credit Card Charges	3540	0
Bank Charges	12801	19173
License Fees	3250	3250
Car Rental	675000	0
Security Expenses	0	186095
Travelling and Conveyance	70373	917819
Foreign Travelling	0	70477
Printing & Stationary	1200	29557
Communication Expenses	0	75116
Auditor's remuneration -		
Statutory Audit	55000	55000
Postage & Courier	6692	0
Subscription	0	6200
Legal, Professional & Consultancy Charges	14500	256200
Business Promotion Expenses	0	199170
Motor Car Expenses	0	268703
General Expenses	16233	387160
Prior Period Adjustments	129368	0
Loss on Sale of Assets	4087392	38825416
Loading & Unloading Charges	0	17100
ROC Filing charges	14700	10700
Interest & Late Charges	126356	660
Round off	0	35
	5216406	42345489

Particulars	As at 31/03/2021	As at 31/03/2020
2.19 CHANGE IN INVENTORY		
(a) Inventory at the beginning of the Year	0	468765
(b) Less Inventory at the end of the Year	0	0
(Increase)/(Decrease) : (a-b)	0	(468765)



For GIT Textiles Manufacturing Ltd

Director

For GIT Textiles Manufacturing Ltd.

Director

GIT TEXTILES MANUFACTURING LIMITED

NOTE-1

Significant accounting policies

Presentation and disclosure in financial statements

- 1.1 Previous year figures has been regrouped/rearranged wherever necessary.
- 1.2 Basis of Preparation
The financial statement are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the accounting standards, as prescribed by Companies (Accounting Standards) Rules, 2006, and the provisions of the Companies Act, 1956, to the extent applicable, as adopted consistently by the Company. The financial statement are prepared in Indian rupees.
- 1.3 Fixed Assets
Tangible Assets are recorded at cost. Cost includes Stamp duties, Taxes and Expenses incidental to acquisition of assets.
- 1.4 Revenue recognition
a. Sales are accounted for on dispatch of goods to customers.
b. Other income is recognized when amounts and collectibles is certain.
- 1.5 Depreciation on tangible fixed assets
Depreciation on fixed assets is calculated on SIM basis by using the rates as prescribed under the Schedule XIV to the Companies Act, 1956.
- 1.6 Taxes on Income
Income taxes comprise current tax, deferred tax and earlier year tax. Current taxes are accrued for on the basis of tax payable to tax authorities in accordance with The Income Tax Act 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- 1.7 Investments
Investments that are intended to held for not more than a year are classified as current investments. All other investments are as non-current investments. Current investments are carried at lower of cost and market price determined category-wise. All non-current investments are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognize a decline, on an individual basis.
- 1.8 Foreign currency transaction
All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transaction takes place.
- 1.9 Contingent liabilities
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognize a contingent liability but discloses its existence in the financial statements.



For GIT Textiles Manufacturing Ltd.

Director

For GIT Textiles Manufacturing Ltd.

Director

NOTES

2. Notes on financial statements

2.20 Estimated amounts of commitments remaining to be executed on capital account and not provided for Rs. Nil.

2.21 Related party disclosures:-

Related party relationships are as identified by the company and relied upon by the auditors. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:-

Relatives:

1. Hemant Goenka – Director
2. Siddharth Daga – Director
3. Gopal Chandra Das – Director

Transactions:

- a. Paid to key management personnel:-

	Transactions during the year	Amt (Rs.)	Transaction
Hemant Goenka	31-Mar-21	450075	Remuneration
Hemant Goenka	31-Mar-21	675000	Car Rent

	Transactions during the year	Amt (Rs.)	Transaction
Hemant Goenka	31-Mar-20	1197600	Remuneration
Hemant Goenka	31-Mar-20	900000	Car Rent

- b. Salary paid, Advances Taken and repayment there of:-

	Transactions during the year	Advances Payable as on 31/03/2021 (Cr.)	Advance Receivable as on 31/03/2021 (Dr.)	Amount received including Salary & Car Rental	Amount paid including Card
Hemant Goenka	31-Mar-21	477482	-	1212794	178134

	Transactions during the year	Advances Payable as on 31/03/2020 (Cr.)	Advance Receivable as on 31/03/2020 (Dr.)	Amount received	Amount paid
Hemant Goenka	31-Mar-20	-	557178	1625803	2871066



For GIT Textiles Manufacturing Ltd.

[Signature]
Director

For GIT Textiles Manufacturing Ltd.

[Signature]
Director

2.22 The company has not received information from vendors regarding their status under the Micro Small & Medium Enterprise Development Act, 2006 and hence disclosure relating to amounts unpaid as at the yearend together with interest paid/payable under this Act has not been given.

2.23

EARNING PER SHARE (EPS)	31-Mar-20	31-Mar-21
Net Profit/(Loss) after tax attributable to Equity Shareholders (in Rs.)	(9544396)	(9490354)
Weighted average no. of equity shares outstanding	1954840	1954840
Basic & Diluted earnings per share of Rs.10/- each	(4.88)	(4.85)

2.24 Deferred Tax

The Company has not provided during the year deferred tax asset on brought forward losses of Rs.207604998/- and current loss of Rs. 10381949 as per Income tax act and difference in WDV of Assets Rs. 6573257/-, as there is no certainty of profit arising immediately. Deferred Tax Liability recognized in earlier years has been reversed.

2.25 During the current year as well as from the financial year 2012-13, the Company has not provided any interest on the following bank accounts, as the bank has declared the account as NPA.

- i. Term Loan 1
- ii. Term Loan 2
- iii. CC Account
- iv. External Commercial borrowings

Instalment of Term Loans from UCO Bank, which was to begin from December 2011. The quantification of interest payable has not been done in absence of bank confirmation.

2.26 **Management Contention towards dispute with UCO Bank**

The Company had received its first sanction letter in December 2005 in which the interest rate of BPLR –2.5% was awarded. The completion of the Commercial Operation Date was Oct-2008.

The company invested more than 900 lacs into the project. A revalidated sanction was received after a delay of nearly 3 yrs from the initial sanction but was also drastically different from earlier one wherein the interest rate was BPLR +2.5% instead of BPLR –2.5% (an increase of 6% in effective interest rate).

The company was compelled to accept this sanction as it had already invested more than Rs. 900 lacs and 4 years into the project.

The letter of Credit for the import of machinery had been opened for Rs. 463 Lacs in June 2008. After the expiry of the L/C in Feb 2009 the company availed suppliers' credit till Feb 2010. After that it was converted into buyers' credit from a foreign bank.

The company applied for fresh Term Loan of Rs. 475 lacs in December 2008. In July 2009 a new sanction was given after 8 months for a term loan of Rs. 352 Lacs increasing the liability of the buyers' credit to Rs. 538 Lacs and earmarking Rs. 300 Lacs as Term Loan 1 and Rs. 238 Lacs as Term



For GIT Textiles Manufacturing Ltd.

Director

For GIT Textiles Manufacturing Ltd.

Director

Loan 2. The rationale behind the increase of foreign exchange liability in the middle of its tenure is questionable.

The benefit of interest subsidy under TUFFS for term loan 2 has not been cleared by the bank inspite of several requests and furnishing of all the requisite papers for the application. The company hence claims an amount of Rs. 28.43 Lacs as the 5% TUFF Subsidy to be received in its books from the year 2009 till March 2012 and further claim of Rs. 2454350 and Rs. 1528650 as Subsidy received by the bank as mentioned in the affidavit filed by them before the court. This has been adjusted on a prorata basis on the term loan accounts as it has not been mentioned against which term loan has it been received.

The company had made a claim of Rs. 130 lacs in the year 2010 and the bank had accepted erroneous application of excess interest and charges but refunded only 18.39 lacs and the rest was regretfully disallowed as it was already treated as their income. The company now claims the rest of the money amounting to Rs. 111.61 Lacs from the bank for which a CA certificate is already given.

The company received another sanction in June 2010 wherein the bank approved of the additional cost of the project to Rs. 718 lacs which was to be funded by Rs. 557 lacs via ECB, a release of the company's FDR of Rs. 100 lacs, as this Rs. 100 lacs was to be invested in the project and a further project margin contribution of Rs. 62 Lacs. The Company received the sanction letter along these lines on 16/06/2010.

This FDR of Rs. 100 Lacs was not released and the company was forced to bring in excess capital to the tune of Rs. 166 lacs instead of Rs. 62 lacs for which a CA Certificate was requested by the bank, provided by the company and accepted by the bank. Thereafter the 100 lacs of FDR should have been released, but was not released.

After completion of the project and achieving the COD, the Company submitted a proposal for enhancement of working capital limits on 31.01.2011. The Company had requested for enhancement of cash credit limit to Rs. 26 crores and Bank Guarantee Limit to Rs. 5.57 crores in their submitted proposal. It was discussed and agreed between the company and the bank that working capital was essential to enable the company to pay the Term Loan on schedule and as a result of which the Bank issued the company fresh sanctions of working capital limits from June 2012 to 29/09/2012. This sanction however contained terms and conditions that were not possible to be complied with and the company did not accept the sanction because it was not in the line of the request the company had made.

In order to reduce the interest burden of the company, the management had resolved to obtain buyers credit in JPY for the L/C payment of machines. This Suppliers' credit was then converted to buyers' Credit and was then extended for a further period of 2 years and the payment of which was to be done by raising an ECB for further period of 3 years. However to our surprise, the branch in Feb 2011 revalued the foreign exchange liability on a mark to market basis. The ILC/FLC (sub-limit of Term Loan I & II) sanction limit of which was Rs. 5.38 crores was revalued at Rs 5.83 crore based on mark to market, which according to the company, was neither as per the bank's terms and conditions nor was it in accordance with normal business practices. Since, the difference in value was to the extent of Rs. 0.50 crores, Rs. 0.30 crores was earmarked against our Bank Guarantee Limit and balance Rs. 0.20 crores was kept as FDR by suo-moto debiting our CC account. Further, even if the said logic was to be accepted, then in that case, the ECB of Rs. 5.52 crore should also



For GIT Textiles Manufacturing Ltd.

A handwritten signature in black ink, appearing to be "M. Gupta", written over a blue ink stamp that reads "Director".

For GIT Textiles Manufacturing Ltd.

A handwritten signature in black ink, appearing to be "Sudhakar Dasgupta", written over a blue ink stamp that reads "Director".

Director

have been revalued based on mark to market which was worth Rs. 5.23 crores as per the then prevailing exchange rates. The same was evident on Page 2 of the stock audit report dated 21.05.2011. When the account was debited and an FDR was created of Rs. 20 lacs by debiting the CC account in the month of February 2011, on account of revaluing the JPY liability, it was mentioned in the communications that if in course of the forthcoming period the value of the foreign exchange falls below the designated Rs 588 lacs the FDR of Rs. 20 Lacs would be released proportionately and funds will be allotted to be utilized by the company for its use. On 8th April 2011, the value of the JPY was Rs. 560 lacs hence the FDR of Rs. 20 lacs should have been released in full but was not done so. On account of the suo-Moto prepayment of the buyers' credit, the company suffered an exchange rate fluctuation loss of 146.26 Lacs and the company does not accept this payment of buyers credit which was to be repaid by an ECB that would be raised for a further period of 3 years.

The bank had revalued the ECB to Rs. 591.60 Lacs as on 31.03.2012. However due to the arbitrary withdrawal of the ECB limit by the bank the company does not recognize this liability.

In December 2011, after a period of 11 months had passed since the Company submitted their proposal; the Company received a sanction letter from the Bank. The bank instead of providing the company with enhancement of working capital facilities, withdrew the company's ECB and Buyers' credit facilities suo-moto and forced it to prepay loans that were not going to be liable to be paid till the year 2018. In this situation the company has not accepted the sanction and does not recognize the liability.

This sanction also suo-moto withdrew concessions that were granted to the company by an earlier sanction without citing any reasons and impressed upon the company an interest rate of BR+6% that was now working out to be almost 7% more than their original sanctioned rate of BPLR-2.5% in 2005. The company does not accept this liability and claims the excess interest.

In June 2012 The bank gave the company another sanction letter wherein it has accepted that excess interest has been charged and the loans have been prepaid that was not in accordance to the earlier accepted sanction of the bank. Also a sum of Rs. 11.83 Lacs has been debited to the CC account in Feb 2013. Hence the company does not accept this interest liability.

Uco bank provided the company a Term Loan to set up the project but did not provide the company any working capital to ensure that the company remains in good health and operates on full capacity to repay the term loan and its liabilities. As a result of which the company sustained major losses year after year and the entire capital of the company infused has been eroded.

The bank issued the company a notice under the Securitization And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, on 12/11/2012 for which the company won the case against the bank in the Securitization Application No. 46 of 2013 under sec 17 of the Act (in Debt Recovery Tribunal -I). This Securitization Application No. 46 of 2013 was disposed of and the company got an order from Ld. Judge of DRT-1 on 08.01.2015 where the Company got relief from all SARFAESI Proceedings.

The bank then issued the company a fresh notice under the Securitization And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, on 23.05.2015 against which the company went to Debt Recovery Tribunal-1 in the Securitization Application No. 74 of 2015 under sec 17 of the Act (in Debt Recovery Tribunal -I). This Securitization Application No. 74 of 2015 was allowed and the company got an order from Ld. Judge of DRT-1 on 14.07.2016 where the entire



For GIT Textiles Manufacturing Ltd.

[Handwritten Signature]
Director

For GIT Textiles Manufacturing Ltd.

[Handwritten Signature]
Director

action taken by the respondent bank under the provisions of the SARFAESI Act 2002 was quashed and set aside.

The bank has then issued the company a fresh notice under the Securitization And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, on 27.09.2016 for which the company replied on 24.11.2016. Thereafter no further proceeding was initiated by the bank in this regard.

The bank has then issued the company another notice under the Securitization And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, on 14.02.2017, the company replied to this notice and this matter is pending.

Counter Claim by the Company

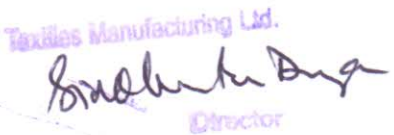
The company under DRT proceeding filed a counter claim of Rs. 132,44,29,576 (Rupees One Hundred Thirty Two Crores Forty Four Lacs Twenty Nine Thousand Five Hundred Seventy Six only) on 08.01.2016. The proceedings of this are also pending.

The company has also filed an application to the Debt Recovery Tribunal -1 on 12/08/2016 for compensation of Rs. 3,26,74,790/- plus interest. The proceedings of this are also pending.

- 2.27 The Company's net worth is fully eroded and the continuance of the Company totally depends upon fresh infusion of share capital and borrowed fund, therefore going concern concept is in doubt.
- 2.28 Balances shown under the note 2.3, 2.4, 2.5, 2.6, 2.8, 2.9, 2.10, 2.11, 2.12 remain unconfirmed and are subject to adjustments/reconciliation.
- 2.29 Long Term Deposits of Rs. 15000000 received from H.S. Mercantile, has been continuing as per agreement for land belonging to the company since October 2007.

For GIT Textiles Manufacturing Ltd.

Director

For GIT Textiles Manufacturing Ltd.

Director

