

**Date: September 07, 2021**

**To,  
National Stock Exchange Limited  
Exchange Plaza, Bandra - Kurla Complex,  
Bandra (East),  
Mumbai - 400 051**

Dear Sir,

**Sub: Submission of Annual Report for the financial year 2020-21 in accordance to  
the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015  
NSE Symbol: GLOBE**

In compliance with Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year ended 2020-21 including Notice convening the 26<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, September 30, 2021 at 4.00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

The Annual Report including the Notice is also uploaded on Company's website at [www.globetextiles.net](http://www.globetextiles.net).

Kindly take the above information on your record .

Thanking you,

Yours faithfully,

**For, Globe Textiles (India) Limited**



**Faruk Diwan  
Company Secretary**



**Encl. As above**

The background of the slide is a close-up photograph of blue denim fabric. It features a prominent horizontal seam with yellow stitching. Above and below this seam, the fabric is frayed, revealing the white inner threads and creating a textured, layered appearance. In the center of the image, there is a white rectangular box with a thin black border. Inside this box, the company name and report title are written in a bold, dark blue, sans-serif font.

**GLOBE TEXTILES (INDIA) LIMITED**  
**Annual Report 2020-21**

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### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circular stating that service of notice/documents including annual report can be sent by e-mail to its members. To support this Green Initiative of the Government, Members who have not registered their e-mail address, so far, are requested to get their e-mail addresses, in respect of electronic holding with depository through their concerned depository participants. Members, who hold shares in physical form, are requested to get their shares dematerialized.

## CHAIRMAN'S MESSAGE



**Dear Stakeholders,**

It gives me immense pleasure to present the Annual Report for the year under review for Globe Textiles (India) Limited.

It has been over a year that we all are facing challenging situation unleashed by COVID-19. The global pandemic has created uncertainty all over the world and significantly affected almost all the sectors particularly tourism and entertainment. The world is fast recovering from this situation. While the world fought the virus with all its might the invention of vaccines by various pharma companies' including those from India have come as a big relief.

My deepest sympathies to all those who lost their dear ones. Economic recovery or financial aid cannot heal the emotional impact of losing the dear ones – I hope time will.

The year under review was challenging for all the stakeholders of the Company along with the Company. Your Company has given first priority to health safety of employees, staff and tried to help needy battle the pandemic. Due to our preparedness and experience in strictly monitoring and implementing the Covid-19 protocols our operations were not much impacted during the second wave of the pandemic.

With the co-operation of Government, your Company has also arranged the vaccination drive for the workers and staff. Despite these challenges we continued our operations and generated revenue of Rs. 25909.28 Lakhs and net profit of Rs. 25.12 Lakhs. The Company is continuously striving with a consistent quest for providing complete denim and fabrics by new product development and understanding of consumer preferences in the upcoming years. Your company has added PPE suit and face masks in the product portfolio. Our approach towards growth was affected a little bit but the Company has managed the liquidity.

Extending my sincere thanks to all the stakeholders of the Company, lending banks, shareholders, customers for their continuous support in the challenging times. Also paying the sincere appreciation to the Board of Directors for their guidance to stabilize the operations in unpredicted conditions of deadly virus. I would like to show my regards to all my colleagues for their dedication, commitment and contribution to strengthen the Globe Textiles.

Thank you.

Warm regards,

**Bhavik Suryakant Parikh**  
**Chairman & Managing Director**

## BOARD OF DIRECTORS

**Bhavik Suryakant Parikh**  
**Chairman & Managing Director**  
**(DIN: 00038223)**

Mr. Bhavik Suryakant Parikh is Chairman and Managing Director and also the Promoter of our Company. He holds a degree of Bachelor of Science from the City University of New York. He is actively engaged in managing the company since his appointment as a Director. He has more than 25 years of experience in the textile industry. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

**Nilaybhai Jagdishbhai Vora**  
**Whole-time Director**  
**(DIN: 02158990)**

Mr. Nilaybhai Jagdishbhai Vora holding the degree of Bachelor of Commerce from the Gujarat University. He is entrusted with the responsibility to look after the marketing of our Company. He is young and dynamic person, having more than 18 years of experience in textile industry and he is presently looking into the marketing and production related matters of the Company.

**Purvi Bhavin Parikh**  
**Non-Executive Non-Independent Director**  
**(DIN: 07732523)**

Mrs. Purvi Bhavin Parikh is Non-Executive Non-Independent Director of the Company having more than 8 year of experience in the field of Textiles Industry. She is having profound knowledge of designing the textiles products like voile, denims, shirting etc.

**Bharat Shamjibhai Patel**  
**Independent Director**  
**(DIN: 00243783)**

With formal Engineering degree in Electronics and Communication from Gujarat University, pursued research at Bhabha Atomic Research Centre, Trombay and Operational Research Group, (ORG) and Space Application Centre, ISRO for designing of microcomputers and Integrated Circuits based designs. He is a fellow at IEI and IETE. Member of CSI, International Red Cross, Association of British Scholars (a Division of British Council), British Business Group, GCCI, ,GESIA IT Association, founder member with Gujarat Innovation Society (GIS), ASSOCHAM and many more. He was the Past Chairman of CSI, Ahmedabad, and Past Chairman of Gujarat State Centre of IEI.

Currently President with ABS (div. of British Council), Chairman – Startups Mission , ASSOCHAM for West region, Jt. Secretary with GESIA, Board Member with Gujarat Innovation Society and Council Member & Chairman CPDB, at The Institution of Engineers (India).

**Rajatkumar Dineshbhai Patel**  
**Independent Director**  
**(DIN: 09124295)**

Mr. Rajatkumar Dineshbhai Patel has been appointed on board as an Additional (Independent) Director w.e.f March 30, 2021. He holds the degree of Bachelor of Computer Application from Gujarat University. He also has good experience of accounts, audit, taxation and finance and having more than 3 years of experience in the audit and taxation field.

**Yogesh Kanhiyalal Vaidya**  
**Independent Director**  
**(DIN: 00468732)**

Mr. Yogesh Kanhiyalal Vaidya is Non-Executive Independent Director of our Company appointed on Board since March 2017. He holds a Master of Textiles Engineering. He is having more than 50 years of experience in textiles, yarns, fabrics and related business filed.

## PRODUCTS PORTFOLIO



### Face Mask

Globe Textiles is also manufacturing face mask from denim & printed fabric as an essential for protection against the dust and virus. Fabric face masks tend to be more comfortable and breathable. They are also reusable and washable. A denim face mask is also reusable and fits properly on the face. The Company is also having face mask with hair band for girls in their products portfolio.

## PERSONAL PROTECTIVE EQUIPMENT (PPE) SUIT – THE SAFETY ESSENTIAL IN COVID



The Company is manufacturing PPE Suit in the times when it is very important to take extreme care of health due to risk of Corona virus, people are avoiding stepping out. This non-woven PPE suit is made using polypropylene fabric which makes it durable. Being a light weight kit and available in free size, almost everyone can use the kit whenever needed. Personal Protective Equipment (PPE) suit is one of such safety

essential that will minimize the risk of your body contact with the virus by covering all parts of your body. Not just frontline doctors and support staff are using these kits but people who are travelling by flights or trains for long journeys are using the kit for an added protection. Since the body suit has elastic on the lower back, there is a good grip when suit is on. With a universal design, the suit can be used by almost everyone irrespective of the body type.

## JEANS (MEN & WOMEN)



Our hot selling brands AFFORD, INDIGIRL and INDIGEN have made a mark in domestic markets with massive demands coming in from all over India through our online partners like Snapdeal, Flipkart, Voonik and Mr.Voonik. Jeans manufactured by the Company come with a precautionary warning which says- “They are so comfortable there is a risk you won’t want to get out of them.”

## PRINTED FABRIC (POLYESTER PRINT FABRIC, CHADRI VOILE, COTTON PRINTS, COTTON DYED)

This bestseller Globe Chadri Voile is highly specialized product available in 44” and 58” in both; voile and lacquer prints. Our highquality Chadri Voiles will attract and enamors one and all what with flowers, leaves, petals and other complex object patterns on display, very fashionably. Exclusively Printed Cotton Fabrics which can be used for a variety of applications are supplied. These printed cottons are both in printed and solids where the fabric is recognized for their attributes like color contrasts, latest designs, smooth looks and vivacious patterns.



## T-SHIRTS



Globe Textiles is also manufacturing T-shirts and doing knitting works. Screen Printing with Plastisol, Feelless Pigment, Discharge, Flock, High Density, Foil, Glitter, Non-PVC options. Digital Photo Printing on T-Shirts with DTG Printers, Embroidery, All over Printing, Canvas Printing etc.

## SHIRTING FABRIC (PRINTED LINENS, SUITING PRINTS, DYED SHIRTING FABRICS)



Globe Textiles is one of the finest shirting fabric suppliers in India. Our shirting is one most popular product in the international as well as domestic markets. What gives us an edge over the competition is our in-house design studio, which keeps abreast of the latest trends in international and domestic apparel markets. Our designers create designs which are in tune with the latest fashion/trends and help us to offer fresh new developed fabrics every season. At Globe, we are suppliers of Linen Fabrics, in India. 100% quality linen fabrics are supplied from quality yarns and are tested on well-defined parameters before being delivered to our clients. We also meet customized requirement for our client's benefit and offer these at competitive prices.

## DENIM AND NON-DENIM FABRICS

Globe Textiles (India) Limited is manufacturing Denim as well as Non-Denim fabrics. The Company is constantly striving to develop new products in order to meet the expectations of the customer with the technology development. The Company is equipped with the top of the line and finest machinery and having manufacturing complying national and international standards.



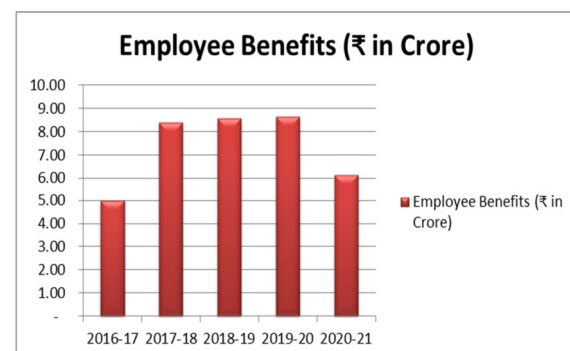
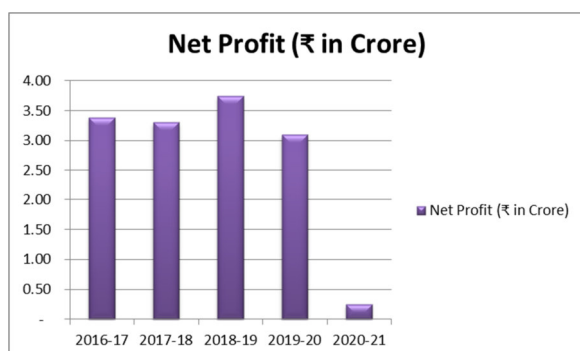
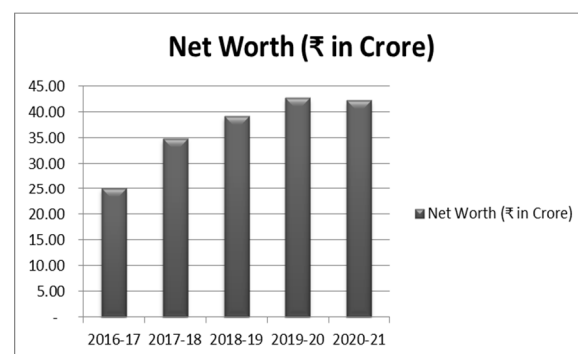
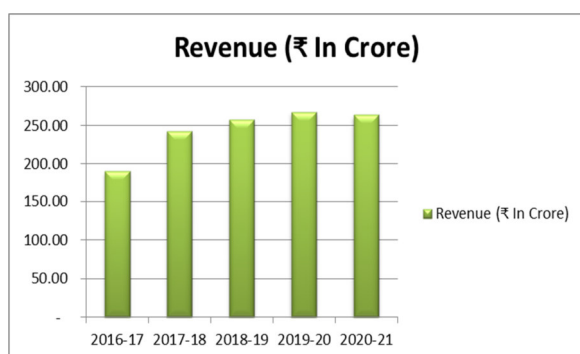
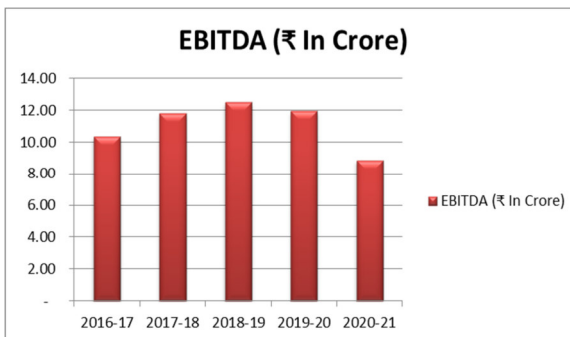
## HOME TEXTILES (BED SHEET, COMFORTERS, CURTAINS, TABLE LINENS)



Make your beds a cosy and comfortable with these soft and welcoming comforters. These 100% Cotton comforters shall guarantee the users a sound and comfortable sleep every day. Available in a variety of colours and prints these comforters not only bring you comfort while sleeping but also add the decorative aspect to your bedroom.

Globe Textiles (India) Limited offers the assortment of bed sets and sheets, bed spreads, flat in cotton and microfiber fitted sheets alongside other furnishings and accessories like curtains, table linen/runner, napkins and tray cloth. We also supply cotton knitted jersey fabric bed sheets, fitted sheets, pillow covers and duvet covers and also export it to Germany, Israel and other countries. Turn your house into a 'Home Sweet Home' by decorating it with Globe home textiles and furnishings.

Transform the experience of eating at home into one a luxurious one. Whether it is to add a bit of colour or to create a calm and rich ambiance the crisp table linens of GTIL will enhance your house in every possible way.



## CORPORATE INFORMATION

### Board of Directors

**Mr. Bhavik Suryakant Parikh**  
Chairman & Managing Director  
(DIN: 00038223)

**Mr. Nilaybhai Jagdishbhai Vora**  
Whole-Time Director  
(DIN: 02158990)

**Mr. Yogesh Kanhiyalal Vaidya**  
Independent Director  
(DIN: 00468732)

**Mr. Bharat Shamjibhai Patel**  
Independent Director  
(DIN: 00243783)

**Mr. Monish Harbans Bhalla** (till March 30, 2021)  
Independent Director  
(DIN: 00221254)

**Mr. Rajatkumar Dineshbhai Patel** (w.e.f. March 30, 2021)  
Additional (Independent) Director  
(DIN: 09124295)

**Mrs. Purvi Bhavin Parikh**  
Woman Director  
(DIN: 07732523)

### CEO & CFO

**Mr. Bhavin Suryakant Parikh**

### Registered Office

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad – 380008  
Gujarat.  
Phone: 079-2293 1881 to 1885  
Email: [cs@globetextiles.net](mailto:cs@globetextiles.net)  
Website: [www.globetextiles.net](http://www.globetextiles.net)

**Company Secretary & Compliance Officer**  
**Mr. Faruk Diwan**

### Statutory Auditors

**M/s. Shah Dhandharia & Co LLP**  
807, Abhijeet-1, Mithakhali Six Roads,  
Navrangpura, Ahmedabad,  
Gujarat – 380 009

### Bankers

Bank of Maharashtra  
Karur Vysya Bank Limited  
Union Bank of India

### Registrar & Share Transfer Agent

**Bigshare Services Private Limited**  
A-802, Samudra Complex, Nr. Girish  
Cold Drinks, Off. C. G. Road,  
Navrangpura, Ahmedabad – 380 009  
Phone: 079-40024135

Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

### Secretarial Auditor

**M/s. K. Jatin & Co.**  
307, Abhijot Square, B/h. Divya Bhaskar  
S. G. Highway, Ahmedabad,  
Gujarat - 380 051

## BOARD'S REPORT

To,  
The Members of  
Globe Textiles (India) Limited

The Board of Directors are pleased to present the company's Twenty-Sixth Annual Report along with the Audited Financial Statements for the financial year ended on March 31, 2021.

### 1. FINANCIAL HIGHLIGHTS

During the year under review, your Company has achieved a net sale of Rs. 25909.28 Lakhs and achieved Net Profit after Tax (NP) of Rs. 25.12 Lakhs. There is significant decline in profit after tax during the current year in comparison to the previous year. Your directors are optimistic about the performance of the Company in the coming years. The financial highlights for the year 2020-21 are as under:

(INR in Lakhs)

| Particulars                                                                  | March 31, 2021 | March 31, 2020 |
|------------------------------------------------------------------------------|----------------|----------------|
| Revenue from Operations (Net)                                                | 25909.28       | 26516.81       |
| Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense | 885.4          | 1193.55        |
| Less: Depreciation/ Amortisation/ Impairment                                 | 124.42         | 125.67         |
| Profit before Finance Costs, Exceptional items and Tax Expense               | 760.98         | 1067.88        |
| Less: Finance Costs                                                          | 625.64         | 669.08         |
| Profit /loss before Exceptional items and Tax Expense                        | 135.34         | 398.8          |
| Exceptional items                                                            | NIL            | NIL            |
| Profit before Tax Expense                                                    | 135.34         | 398.8          |
| Less: Tax Expense (Current & Deferred)                                       | 110.22         | 89.09          |
| Profit for the year                                                          | 25.12          | 309.71         |
| EPS (Basic)                                                                  | 0.25           | 3.07           |
| EPS (Diluted)                                                                | 0.25           | 3.07           |

The Company discloses financial results on a quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the website of the Company at [www.globetextiles.net](http://www.globetextiles.net).

### 2. DIVIDEND

Your Director feel that it is prudent to plough back the profits of the Company for future growth of the Company and therefore do not recommend any dividend for the year ended March 31, 2021.

### 3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there is no change in the nature of business of the Company.

### 4. RESERVES

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

### 5. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

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

#### **6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of report.

Due to spread of Novel Corona Virus (COVID-19) and nationwide lockdown announced to curb the COVID-19 virus, the plant was closed for the month of April, 2020. However, the Company has received the permission to reopen the plant partially w.e.f. May 01, 2021 with the compliance of COVID-19 guidelines issued by the Government of India. Operations and revenue have been impacted due to COVID-19.

#### **7. ANNUAL RETURN**

The Annual Return of the Company as on March 31, 2020 is available on the Company's website and can be accessed at <http://globetextiles.net/wp-content/uploads/2021/09/Annual-Return-Form-MGT-7-FY-2020-21.pdf>.

#### **8. PUBLIC DEPOSIT**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

#### **9. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT MADE UNDER SECTION 186**

During the year, the Company has not given loans and advances covered under the provisions of Section 186 of the Companies Act, 2013.

#### **10. SECRETARIAL STANDARDS**

The Company has followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

#### **11. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

Separate reports on Corporate Governance compliance and Management Discussion and Analysis as stipulated by the SEBI Listing Regulations forms part of this Annual Report as **Annexure-"A"** and **Annexure-"B"** respectively along with the required Certificate from Practising Company Secretary regarding Compliance of the conditions of Corporate Governance as stipulated.

In Compliance with Corporate Governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board Members and Senior Management Personnel of the company, who have affirmed the compliance thereto.

#### **12. DIRECTORS' RESPONSIBILITY STATEMENT**

As stipulated in Section 134(3)(c) read with sub-section (5) of the Companies Act, 2013, to the best of their knowledge and ability state that

(a) In the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2021 and of the profit and loss of the Company for that period under review;

(c) The directors have 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 have prepared the annual accounts 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members of the Board of Directors of the Company are of proven competence and integrity. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance.

During the year under review, Mr. Monish Harbans Bhalla (DIN: 00221254), Independent Director of the company resigned from the Directorship w.e.f. March 30, 2021 due to his pre occupation elsewhere. The Board placed on record its appreciation for the valuable services rendered by him as Independent Directors of the Company.

The Company has appointed Mr. Rajatkumar Dineshbhai Patel (DIN: 09124295) as an Additional (Independent) Director w.e.f. March 30, 2021. The appointment of Mr. Rajatkumar Dineshbhai Patel is required to be regularised at the ensuing general meeting of the members. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, recommends his appointment at 26<sup>th</sup> Annual General Meeting. Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on August 14, 2021, re-appointed Mr. Bhavik Suryakant Parikh (DIN: 00038223), as a Chairman and Managing Director and Mr. Nilaybhai Jagdishbhai Vora (DIN: 02158990), Whole-time Director of the Company for a period of three years effective from August 14, 2021, subject to the approval of members of the Company at the 26<sup>th</sup> Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that a) they meet the criteria of independence prescribed under the Act and the

Listing Regulations and b) they have registered their names in the Independent Directors' Databank.

Brief details of Directors proposed to be appointed / re-appointed as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Notice of Annual General meeting.

The Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company. The Policy also provides for the factors in evaluating the suitability of individual Board members with diverse background and experience that are relevant for the Company's operations. The said policy is put up on the Company's website and can be accessed at <http://globetextiles.net/wp-content/uploads/2021/05/Code-of-Conduct-for-Independent-Director.pdf>.

#### **14. PERFORMANCE EVALUATION**

The Company has devised a Board Evaluation Framework for performance evaluation of Independent Directors, Board, Non-Independent Directors and Chairman of the Company. Pursuant to this framework, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non-Independent Directors including Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors on March 30, 2021. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee.

#### **15. AUDITORS AND AUDITORS' REPORT**

##### **Statutory Auditors**

M/s. Shah Dhandharia & Co LLP (Firm Registration No. 118707W/W100724), Chartered Accountants, the Statutory Auditors of the Company, were appointed at the 24<sup>th</sup> Annual General Meeting held on September 30, 2019 to hold office for a period of 5 (Five) years i.e. from the conclusion of 24<sup>th</sup> Annual General Meeting (AGM) till the conclusion of 29<sup>th</sup> Annual General Meeting to be held in the year 2023-24 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

In accordance with the Companies Amendment Act, 2017, enforced on 7<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The Notes to the financial statements referred in the Auditors Report are self-explanatory. There are no qualifications or reservations or adverse remarks or disclaimers given by Statutory Auditors' of the Company and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

#### **Cost Auditors**

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is not applicable to the Company.

#### **Secretarial Auditor**

The Board had appointed M/s. K. Jatin & Co., Practising Company Secretary, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith and marked as **Annexure-“C”** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### **16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, the Company has entered into any contracts or arrangements with related parties. The particulars of Contracts or Arrangements made with related parties required to be furnished under section 134(3) are disclosed in the prescribed form (**Form AOC-2**) which is attached to this Report as **Annexure- “D”**.

### **17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 has been annexed as **Annexure – “E”**.

### **18. PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Report and marked as **Annexure-“F”**. No employee of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **19. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

There has not been an occasion in case of the Company during the year to transfer any sums or shares to the Investor Education and Protection Fund.

## 20. LISTING AT STOCK EXCHANGE

The Company has been listed on SME Platform of NSE (NSE Emerge) since June, 2017. During the year under review, listing of Equity Shares of the Company has been migrated from NSE (NSE Emerge) to Capital Market Segment (Main Board) w.e.f. October 07, 2020 vide listing and trading approval letter NSE/LIST/58 dated October 05, 2020. The Equity Shares of the Company continue to be listed on the main board of NSE Limited.

## 21. DISCLOSURES

### Meetings of the Board

Seven (7) Meetings of the Board of Directors were held during the year. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report.

### Committees of the Board

Details of various committees constituted by the Board of Directors as per the provision of the SEBI Listing Regulations and the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this Annual Report.

### Audit Committee

The Audit Committee comprises Mr. Yogesh Kanhiyalal Vaidya (Chairman), Mr. Bhavik Suryakant Parikh and Mr. Rajatkumar Dineshbhai Patel. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

### Corporate Social Responsibility (CSR)

The Company has focused on several corporate social responsibility programs. The Company has been endeavouring to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of Education.

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The policy can be accessed at <http://globetextiles.net/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>. The brief details of CSR Committee are provided in the Corporate Governance Report. The Annual Report on CSR activities is annexed herewith and marked as **Annexure-“G”** to this Report

### Internal Financial Controls

The Company has an internal control system commensurate with its size and the nature of its business in order to achieve efficiency in operation and optimum utilization of resources. The company has SOPs to control its activities and the same have been finalized and put into practice. However for the year under review, company had not implemented defined SOP to manage its operations. Accordingly there are some limitations in the control aspects of financial reporting. Except for the possible effects of this material weakness, the company has maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021.

### Policy on Directors' Appointment and Remuneration

The Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. The policy is available on the Company's website at

<http://globetextiles.net/wp-content/uploads/2021/06/Nomination-and-Remuneration-Policy.pdf>.

#### **Risk Management Policy**

The Board of Directors of the Company has put in place a Risk Management which aims at enhancing shareholders' value and providing an optimum risk-reward trade off. The risk management approach is based on a clear understanding of the variety of risks that the organisation faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

#### **Vigil Mechanism & Whistle Blower Policy**

The Company has a Vigil mechanism & Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be reported to the Vigilance & Ethics Officer which operates under the supervision of the Audit Committee, as protected disclosures through an e-mail, or dedicated telephone line or a written letter. Employees may also report directly to the Chairman of the Audit Committee. The said Policy is available on the website of the Company At <http://globetextiles.net/wp-content/uploads/2021/05/Vigil-Mechanism.pdf>.

#### **Prevention of Sexual Harassment of Women at Workplace**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment.

Your Directors declared and confirm that, during the year under review, there is no case filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **Prevention of Insider Trading**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

## **22. ACKNOWLEDGEMENTS**

Your directors wish to place on record and acknowledge their appreciation for the continued support and co-operation received from Government Authorities, lending institutions, and esteemed shareholders of the company. Directors also record their appreciation for the total dedication of the employees.

#### **Registered Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 14/08/2021  
Place: Ahmedabad

By Order of the Board of Directors

**For, GLOBE TEXTILES (INDIA) LIMITED**

Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)

## CORPORATE GOVERNANCE REPORT

### STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Globe Textiles (India) Limited believes in the highest level of accountability towards its stakeholders and actively promotes fair, transparent and ethical Corporate Governance practices. The Company is committed to maintain the highest standards of Corporate Governance and continue to improve the same time to time.

Corporate governance broadly refers to the mechanisms, processes and relations by which company are controlled and directed. Corporate governance includes the processes through which company's objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies, practices, and decisions of companies, their agents and affected stakeholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable to the Company, with regard to corporate governance.

As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted non-mandatory requirements specified in Points A, C and E.

### BOARD OF DIRECTORS

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. As on March 31, 2021, Board comprises 6 (six) Directors out of which 2 Directors are Executive, 1 Director is Non-Executive Non Independent and 3 Directors are Non-Executive Independent.

The maximum tenure of the independent directors is in compliance with the Companies Act, 2013. All Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time and section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors on the Board holds directorships in more than 10 (Ten) Public Limited Companies or as Independent Director in more than 7 (Seven) Listed Companies. Further, none of the Directors on Company's Board is a member of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made

necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (Ten) public companies as on March 31, 2021.

| Name of the Director         | Category                               | No. of other Directorship(s) as on 31-03-2021                                                                                          | Directorship in other listed company(ies) and category of directorship as on 31-03-2021 | Number of Committee positions held in other Public Companies | No. of Shares held & % holding (of the Company) (As on March 31, 2021) |
|------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|
| Bhavik Suryakant Parikh      | Chairman & Managing Director           | Globe Denwash Private Limited                                                                                                          | Nil                                                                                     | Nil                                                          | 2358860 (23.41%)                                                       |
| Bharat Shamjibhai Patel      | Non-Executive Independent Director     | Komoline Aerospace Limited<br>Secure Matrix Global Private Limited<br>Yudiz Solutions Private Limited<br>Fetus Hatcher Private Limited | Nil                                                                                     | Nil                                                          | Nil                                                                    |
| Yogesh Vaidya Kanhiyalal     | Non-Executive Independent Director     | Premium Polyfab Private Limited<br>Integrated Egreen Textile Park Private Limited<br>Envision Ecology Private Limited                  | Nil                                                                                     | Nil                                                          | Nil                                                                    |
| Nilaybhai Jagdishbhai Vora   | Whole-time Director                    | Globe Denwash Private Limited<br>Naminath Prohouse Private Limited                                                                     | Nil                                                                                     | Nil                                                          | 1204000 (11.95%)                                                       |
| Purvi Bhavin Parikh          | Non-Executive Non Independent Director | Sagastar Trading Private Limited                                                                                                       | Nil                                                                                     | Nil                                                          | 870810 (8.64%)                                                         |
| Rajatkumar Dineshbhai Patel* | Non-Executive Independent Director     | Nil                                                                                                                                    | Nil                                                                                     | Nil                                                          | Nil                                                                    |

\*Mr. Rajatkumar Dineshbhai Patel has been appointed w.e.f. March 30, 2021 as an Additional (Independent) Director.

During the year under review, Mr. Monish Harbans Bhalla resigned w.e.f. March 30, 2021 from his position due to his pre-occupation elsewhere.

The Directorships, held by Directors as mentioned above, do not include directorship(s) in foreign companies and Section 8 companies under the Companies Act, 2013.

In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in other Public Limited Companies have been considered.

Mr. Bhavik Suryakant Parikh is a brother of Mr. Bhavin Suryakant Parikh (CEO & CFO) and brother in law of Mrs. Purvi Bhavin Parikh. None of other Directors are related to each other.

The Company has not issued any convertible instruments.

Video / Audio-conferencing facility is offered to facilitate the Directors to participate in the meetings.

The number of Directorship and Committee Membership and Chairmanship of all Directors are within the respective limits prescribed under the Companies Act, 2013 and the Listing Regulations.

The Company has devised the Policy on Familiarization Programmes for Independent Directors and the same is available on the website of the Company at <http://globetextiles.net/wp-content/uploads/2021/05/Policy-of-Familiarization-Programme.pdf>.

#### **Board and Committee Meetings and Procedures**

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long-term interests are being served.

The functions performed by the Board include review of Minutes of Audit Committee Meetings and other Committees of the Board, adoption of financial results of the Company and review of Company's Operation & Performance. The Board meets at least once a quarter to review the quarterly performance and financial results of the Company. The maximum interval between any two meetings did not exceed 120 days. The Board notes compliance reports of all laws applicable to the Company, every quarter.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalise the agenda for Board / Committee meetings.

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda.

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1.

Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments / divisions. Action taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committees for noting.

### Number of Board Meetings

7 (Seven) Board meetings were held during the financial year 2020-21, the dates on which the Board Meetings were held during financial year 2020-21 are as follows:

July 9, 2020, August 19, 2020, August 28, 2020, October 03, 2020, November 13, 2020, February 13, 2021 and March 30, 2021.

The details of attendance of Directors at the board Meetings and at the last Annual General Meeting are as under:

| Name of Director(s)          | Number of Board Meetings held and attended during FY 2020-21 |          | Attended Last AGM |
|------------------------------|--------------------------------------------------------------|----------|-------------------|
|                              | Held during the tenure                                       | Attended |                   |
| Bhavik Suryakant Parikh      | 7                                                            | 7        | Yes               |
| Bharat Shamjibhai Patel      | 7                                                            | 7        | Yes               |
| Yogesh Vaidya Kanhiyalal     | 7                                                            | 7        | Yes               |
| Nilaybhai Jagdishbhai Vora   | 7                                                            | 7        | Yes               |
| Purvi Bhavin Parikh          | 7                                                            | 7        | Yes               |
| Monish Harbans Bhalla#       | 7                                                            | 5        | No                |
| Rajatkumar Dineshbhai Patel* | NA                                                           | NA       | N.A.              |

# Mr. Monish Harbans Bhalla has resigned from the directorship w.e.f. March 30, 2021.

\* Mr. Rajatkumar Dineshbhai Patel has been appointed as an Additional (Independent) Director w.e.f. March 30, 2021.

During the year, the Board of Directors accepted all recommendations of the Committees of the board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10(j) of schedule V of the SEBI Listing Regulations.

During the year under review, the Board of Directors of the Company has amended / approved changes in the policies complying with the recent amendments in the Companies Act, 2013 and SEBI Regulations. Accordingly, the updated policies are uploaded on website of the Company at <http://globetextiles.net/code-and-policies/>.

### CORE SKILLS / EXPERTISE / COMPETENCIES AVAILABLE WITH THE BOARD

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Business Leadership
- Financial Expertise
- Risk Management
- Global Experience
- Strategic Planning
- Research and Development and Innovation
- Corporate Governance

While all the Board members possess the skills identified, their area of core expertise is given below:

| Name of Directors           | Business Leadership | Financial Expertise | Risk Management | Global Experience | Research and Development Innovation | Corporate Governance |
|-----------------------------|---------------------|---------------------|-----------------|-------------------|-------------------------------------|----------------------|
| Bhavik Suryakant Parikh     | Y                   | Y                   | Y               | Y                 | Y                                   | Y                    |
| Bharat Shamjibhai Patel     | Y                   | Y                   | Y               | Y                 | Y                                   | Y                    |
| Yogesh Kanhiyalal Vaidya    | Y                   | Y                   | Y               | Y                 | Y                                   | Y                    |
| Nilaybhai Jagdishbhai Vora  | Y                   | Y                   | Y               | Y                 | Y                                   | Y                    |
| Purvi Bhavin Parikh         | Y                   | Y                   | Y               | Y                 | Y                                   | Y                    |
| Rajatkumar Dineshbhai Patel | Y                   | Y                   | Y               | Y                 | Y                                   | Y                    |

**Note:** Each Director may possess varied combinations of skills / expertise within the described set of parameters and it is not necessary that all Directors possess all skills / expertise listed therein.

### Details of the Directors seeking appointment / re-appointment in forthcoming Annual General Meeting

The information as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to appointment / reappointment of Directors of the Company are given in the Annexure of the Notice of the Annual General Meeting.

### Meeting of Independent Directors

The Company's independent directors shall meet at least once in a financial year without the presence of executive directors and management personnel to review the performance of Non-Independent Directors and Board as whole. 1 (one) such meeting was held on March 30, 2021.

### Committees of the Board

The Company's guidelines relating to the Board meetings are applicable to the Committee meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning.

Minutes of the proceedings of Committee meetings are circulated to the respective committee members and placed before the Board meetings for noting.

In conformity to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Companies Act, 2013, the composition of these committees of Board are constituted and reconstituted. As on date, the Board has established the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

#### **A. Audit Committee**

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

#### **Terms of Reference**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under SEBI Listing Regulations as amended from time to time and Section 177 of the Companies Act, 2013. The brief terms of reference of the Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions;

(g) Modified Opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower Mechanism;

19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

21. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.

22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

#### Review of Information by the Audit Committee

1. The Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Internal Auditor.
6. statement of deviations:
  - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### Composition, Meetings and Attendance of the Audit Committee

During the Financial Year 2020-21, Five (5) meetings of the Audit Committee were held on July 9, 2020, October 03, 2020, November 13, 2020, February 13, 2021 and March 30, 2021. The intervening gap between two meetings did not exceed one hundred and twenty days.

The details of the Audit Committee meetings attended by its members during the financial year 2020-21 are given below:

| Sr. No. | Name                         | Designation | Number of Meetings held during FY 2020-21 |          |
|---------|------------------------------|-------------|-------------------------------------------|----------|
|         |                              |             | Held during the tenure                    | Attended |
| 1       | Yogesh Kanhiyalal Vaidya     | Chairman    | 5                                         | 5        |
| 2       | Bhavik Suryakant Parikh      | Member      | 5                                         | 5        |
| 3       | Monish Harbans Bhalla#       | Member      | 5                                         | 5        |
| 4       | Rajatkumar Dineshbhai Patel* | Member      | NA                                        | NA       |

# Mr. Monish Harbans Bhalla has resigned from the directorship and Mr. Yogesh Kanhiyalal Vaidya has been appointed as a Chairman of Audit Committee in his place w.e.f. March 30, 2021.

\*Further, Mr. Rajatkumar Dineshbhai Patel has been appointed as a member of Audit Committee w.e.f. March 30, 2021.

All members of the Audit Committee have accounting and financial management knowledge and expertise/exposure.

The representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

## **B. Nomination and Remuneration Committee**

The Constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

### **Terms of Reference**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
7. To perform such other functions as may be necessary or appropriate for the performance of its duties.

### **Composition, Meetings and Attendance of the Nomination and Remuneration Committee**

During the Financial Year 2020-21, three (3) meetings of the Nomination and Remuneration Committee were held on August 19, 2020, November 13, 2020 and March 30, 2021.

The details of the Nomination and Remuneration Committee meetings attended by its members during the financial year 2020-21 are given below:

| <b>Sr. No.</b> | <b>Name</b>                  | <b>Designation</b> | <b>Number of Meetings held during FY 2020-21</b> |                 |
|----------------|------------------------------|--------------------|--------------------------------------------------|-----------------|
|                |                              |                    | <b>Held during the tenure</b>                    | <b>Attended</b> |
| 1              | Yogesh Kanhiyalal Vaidya     | Chairman           | 3                                                | 3               |
| 2              | Bharat Shamjibhai Patel      | Member             | 3                                                | 3               |
| 3              | Monish Harbans Bhalla#       | Member             | 3                                                | 2               |
| 4              | Rajatkumar Dineshbhai Patel# | Member             | NA                                               | NA              |

#Mr. Monish Harbans Bhalla has resigned from the directorship, therefore, Mr. Rajatkumar Dineshbhai Patel appointed as a member of Nomination and Remuneration Committee in his place w.e.f. March 30, 2021.

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the Nomination and Remuneration Committee Meetings at its subsequent Board Meetings. The Company Secretary acts as a Secretary to the Committee.

#### Performance Evaluation Criteria for Directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, and compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

#### Remuneration Policy

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013 which is available on the website of the Company accessed at <http://globetextiles.net/wp-content/uploads/2021/06/Nomination-and-Remuneration-Policy.pdf>.

#### Details of Remuneration to Directors

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Executive Directors within the limits prescribed under the Companies Act, 2013 and approved by the shareholders. The Executive Directors are not being paid sitting fees for attending meetings of the Board of Directors and its Committees.

Details of remuneration to all Directors for the Financial Year 2020-21 are as under:

(Rs. in Lakhs)

| Sr. No. | Name of Director             | Salary and Bonus | Retirement & Leave Benefits | Sitting Fees | Commission | Stock Option |
|---------|------------------------------|------------------|-----------------------------|--------------|------------|--------------|
| 1       | Bhavik Suryakant Parikh      | 5.35             | Nil                         | Nil          | Nil        | Nil          |
| 2       | Nilaybhai Jagdishbhai Vora   | 7.14             | Nil                         | Nil          | Nil        | Nil          |
| 3       | Yogesh Kanhiyalal Vaidya     | Nil              | Nil                         | Nil          | Nil        | Nil          |
| 4       | Bharat Shamjibhai Patel      | Nil              | Nil                         | Nil          | Nil        | Nil          |
| 5       | Monish Harbans Bhalla#       | Nil              | Nil                         | Nil          | Nil        | Nil          |
| 6       | Purvi Bhavin Parikh          | Nil              | Nil                         | Nil          | Nil        | Nil          |
| 7       | Rajatkumar Dineshbhai Patel* | Nil              | Nil                         | Nil          | Nil        | Nil          |

### C. Stakeholders' Relationship Committee

The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of the Companies Act, 2013 and Listing Regulations.

#### Terms of Reference

1. To look into various aspects of interest of shareholders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Reviewing the measures taken for effective exercise of voting rights by shareholders.
3. Reviewing of adherence to the service standards adopted in respect of various services being rendered by the Registrar and Share Transfer Agent.
4. Reviewing of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

#### Composition, Meetings and Attendance of the Stakeholders' Relationship Committee

During the Financial Year 2020-21, one (1) meeting of the Stakeholders' Relationship Committee were held on November 13, 2020.

The details of the Stakeholders' Relationship Committee meetings attended by its members during the financial year 2020-21 are given below:

| Sr. No. | Name                       | Designation | Number of Meetings held during FY 2020-21 |          |
|---------|----------------------------|-------------|-------------------------------------------|----------|
|         |                            |             | Held during the tenure                    | Attended |
| 1       | Yogesh Kanhiyalal Vaidya   | Chairman    | 1                                         | 1        |
| 2       | Bharat Shamjibhai Patel    | Member      | 1                                         | 1        |
| 3       | Nilaybhai Jagdishbhai Vora | Member      | 1                                         | 1        |

#### Compliance Officer

Faruk Diwan, Company Secretary is the Compliance Officer of the Company as per requirements of the SEBI Listing Regulations for complying with requirements of Securities Laws.

#### Redressal of Investor Grievances

The Company and its Registrar and Share Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavours to implement suggestions as and when received from the investors.

#### Details of Investors Complaint received during the financial year 2020-21:

| Complaints received | Complaints disposed | Complaints Pending |
|---------------------|---------------------|--------------------|
| Nil                 | Nil                 | Nil                |

No instruments of transfer were pending as on March 31, 2021.

#### D. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee comprises Mr. Yogesh Kanhiyalal Vaidya as the Chairman and Mr. Bhavik Suryakant Parikh and Mr. Nilaybhai Jagdishbhai Vora as the members of the Committee.

#### The terms of reference of the Committee

1. To formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. To recommend the amount of expenditure to be incurred on the activities.
3. To monitor the corporate social responsibility policy of the Company from time to time.

During the year, the Committee met two (2) times on July 09, 2020 and March 30, 2021.

#### Meeting and attendance during the year

| Sr. No. | Name                       | Designation | Number of Meetings held during FY 2020-21 |          |
|---------|----------------------------|-------------|-------------------------------------------|----------|
|         |                            |             | Held during the tenure                    | Attended |
| 1       | Yogesh Kanhiyalal Vaidya   | Chairman    | 2                                         | 2        |
| 2       | Bhavik Suryakant Parikh    | Member      | 2                                         | 2        |
| 3       | Nilaybhai Jagdishbhai Vora | Member      | 2                                         | 2        |

## GENERAL BODY MEETINGS

### a) ANNUAL GENERAL MEETINGS

The Day, Date and Time of the Annual General Meetings (AGMs) held during last three years and the special resolution(s) passed thereat, are as follows:

| Financial Year | Date of AGM                                | Time     | Venue                                                                        | Special Resolution(s) passed                                                                         |
|----------------|--------------------------------------------|----------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 2019-20        | 25 <sup>th</sup> AGM on September 30, 2020 | 2.30 PM  | Through Video Conferencing (VC)/ Other Audio Visual Means (OVAM)             | Approval of Loans, Investments, Guarantee of Securities under Section 185 of the Companies Act, 2013 |
| 2018-19        | 24 <sup>th</sup> AGM on September 30, 2019 | 12.30 PM | Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad – 380 008 | None                                                                                                 |
| 2017-18        | 23 <sup>rd</sup> AGM on August 30, 2018    | 11.30 AM | Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad – 380 008 | Approval of Related Party Transactions                                                               |

All resolutions as set out in the respective notices were duly passed by the shareholders in the meeting.

### b) EXTRA ORDINARY GENERAL MEETINGS

The Day, Date and Time of the Extra Ordinary General Meetings (EGM) held during last three years and the special resolution(s) passed thereat, are as follows:

| Financial Year | Date of EGM      | Time    | Venue                                                            | Special Resolution(s) passed                                                                         |
|----------------|------------------|---------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 2020-21        | October 29, 2020 | 3.30 PM | Through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) | Approval of Loans, Investments, Guarantee of Securities under Section 185 of the Companies Act, 2013 |

All resolutions as set out in the respective notices were duly passed by the shareholders in the meeting.

### Whether Special Resolutions were put through postal ballot last year, details of voting pattern:

The Company has sought the approval of shareholders through the notice of Postal Ballot dated July 9, 2020 seeking the approval of members for migration of listing/ trading of equity shares of the company from NSE SME platform i.e. (Emerge) to main board of NSE (Capital Segment) vide Special Resolution. The aforesaid resolution was duly passed and the result of postal ballot/e-voting was announced on August 15, 2021. Mr. Jatinbhai Harishbhai Kapadia, proprietor of M/s. K Jatin & Co. Practicing Company Secretaries was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

| Migration of listing/ trading of equity shares of the company from NSE SME platform i.e. (Emerge) to main board of NSE (Capital Segment) |                |                           |                            |                                                               |                                 |                               |                                                            |                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------|----------------------------|---------------------------------------------------------------|---------------------------------|-------------------------------|------------------------------------------------------------|-----------------------------------------------------------|
| Resolution Required: (Ordinary/Special)                                                                                                  |                |                           |                            |                                                               |                                 |                               | Special                                                    |                                                           |
| Whether promoter/ promoter group are interested in the agenda/resolution?                                                                |                |                           |                            |                                                               |                                 |                               | No                                                         |                                                           |
| Category                                                                                                                                 | Mode of Voting | No. of Shares Held<br>(1) | No. of votes Polled<br>(2) | %of Votes Polled on outstanding shares<br>(3)=[(2)/(1)] * 100 | No. of Votes - in favour<br>(4) | No. of Votes - against<br>(5) | %of Votes in favour on votes polled<br>(6)=[(4)/(2)] * 100 | % of Votes against on votes polled<br>(7)=[(5)/(2)] * 100 |
| Promoter and Promoter Group                                                                                                              | E-Voting       | 7388100                   | 4766740                    | 64.52                                                         | 4766740                         | 0                             | 100.00                                                     | 0.00                                                      |
|                                                                                                                                          | Poll           |                           | 0                          | 0                                                             | 0                               | 0                             | 0                                                          | 0                                                         |
|                                                                                                                                          | Postal Ballot  |                           | 0                          | 0                                                             | 0                               | 0                             | 0                                                          | 0                                                         |
|                                                                                                                                          | <b>Total</b>   | <b>7388100</b>            | <b>4766740</b>             | <b>64.52</b>                                                  | <b>4766740</b>                  | <b>0</b>                      | <b>100.00</b>                                              | <b>0.00</b>                                               |
| Public-Institutions                                                                                                                      | E-Voting       | 0                         | 0                          | 0.00                                                          | 0                               | 0                             | 0.00                                                       | 0.00                                                      |
|                                                                                                                                          | Poll           |                           | 0                          | 0                                                             | 0                               | 0                             | 0                                                          | 0                                                         |
|                                                                                                                                          | Postal Ballot  |                           | 0                          | 0                                                             | 0                               | 0                             | 0                                                          | 0                                                         |
|                                                                                                                                          | <b>Total</b>   | <b>0</b>                  | <b>0</b>                   | <b>0.00</b>                                                   | <b>0</b>                        | <b>0</b>                      | <b>0.00</b>                                                | <b>0.00</b>                                               |
| Public- Non Institutions                                                                                                                 | E-Voting       | 2688000                   | 122000                     | 4.54                                                          | 122000                          | 0                             | 100.00                                                     | 0.00                                                      |
|                                                                                                                                          | Poll           |                           | 0                          | 0                                                             | 0                               | 0                             | 0                                                          | 0                                                         |
|                                                                                                                                          | Postal Ballot  |                           | 0                          | 0                                                             | 0                               | 0                             | 0                                                          | 0                                                         |
|                                                                                                                                          | <b>Total</b>   | <b>2688000</b>            | <b>122000</b>              | <b>4.54</b>                                                   | <b>122000</b>                   | <b>0</b>                      | <b>100.00</b>                                              | <b>0.00</b>                                               |
| <b>Total</b>                                                                                                                             |                | <b>10076100</b>           | <b>4888740</b>             | <b>48.52</b>                                                  | <b>4888740</b>                  | <b>0</b>                      | <b>100.00</b>                                              | <b>0.00</b>                                               |

The postal ballot was conducted in accordance with the provisions contained in Section 108/110 of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, General Circular No. 22/2020 dated 15<sup>th</sup> June, 2020, General Circular No. 28/2020 dated 17<sup>th</sup> August, 2020, General Circular No. 33/2020 dated 28<sup>th</sup> September, 2020 and General Circular No. 39/2020 dated 31<sup>st</sup> December, 2020 ("General Circulars") issued by the Ministry of Corporate Affairs (the "MCA"). The shareholders were provided the facility to vote through e-voting. The postal ballot notice was sent to shareholders in electronic form to the email addresses, where available. The Company also published a notice in the newspapers in accordance with the requirements under the Companies Act, 2013. Shareholders holding equity shares as on the cut-off date casted their votes through e-voting during the voting period fixed for this purpose. After completion of scrutiny of votes, the scrutinizer submitted his report to the Chairman and the results of voting by postal ballot were announced within 48 hours of conclusion of the voting period. The results were displayed on the website of the Company ([www.globetextiles.net](http://www.globetextiles.net)), and communicated to the Stock Exchange, Depositories, and Registrar and Share Transfer Agents. The resolution was passed by the requisite majority and was deemed to have been passed on the last date specified for e-voting.

### Whether any resolutions are proposed to be conducted through postal ballot:

No Resolution is proposed to be passed by way of Postal Ballot at the ensuing Annual General Meeting.

## MEANS OF COMMUNICATION

### Quarterly results

The Company's Quarterly / Half-Yearly / Annual Financial Results were submitted to the Stock Exchanges immediately after the conclusion of the Board meetings and were also published in two newspapers namely, in Free Press Gujarat (English) and Lok Mitra (Gujarati). The Company regularly puts latest information and financial data on the website of the Company and can be accessed at <http://globetextiles.net/financials>.

### Website

The Company's website ([www.globetextiles.net](http://www.globetextiles.net)) contains a separate dedicated section 'Investors' where shareholders' information is available.

### Annual Report

The Annual Report containing, Audited Financial Statements, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. The Management's Discussion and Analysis Report forms a part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company.

### SEBI Complaints Redress System (SCORES)

Investor complaints are processed at SEBI in a centralised web-based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status.

### Designated exclusive email-IDs

The Company has designated the following email-IDs exclusively for investor servicing:

- For queries on Annual Report: [cs@globetextiles.net](mailto:cs@globetextiles.net)
- For queries in respect of shares: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

## GENERAL SHAREHOLDER INFORMATION

### Company Registration Details

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65910GJ1995PLC027673.

### Annual General Meeting

Day & Date: Thursday, September 30, 2021

Time: 04:00 p.m.

Mode: Through Video Conferencing / Other Audio Visual Means

### Registered Office

Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC, Khokhra, Ahmedabad, Gujarat - 380 008

### Financial Year

Starting on 1<sup>st</sup> April and ending on 31<sup>st</sup> March every year.

### Financial Calendar for FY 2021-22 (Tentative Schedule, subject to change)

|                                                 |                      |
|-------------------------------------------------|----------------------|
| Quarter ending June 30, 2021                    | : Mid-August, 2021   |
| Quarter and Half-year ending September 30, 2021 | : Mid November, 2021 |
| Quarter ending December 31, 2021                | : Mid February, 2022 |
| The year ending March 31, 2022                  | : End May, 2022      |

### Date of Book-Closure

Not Applicable.

### Dividend Payment Date

Not Applicable.

### Listing on Stock Exchange

The Equity Shares of the Company is listed with the following Stock Exchange:

| Name of Stock Exchange                   | Symbol | Address                                                                        |
|------------------------------------------|--------|--------------------------------------------------------------------------------|
| National Stock Exchange of India Limited | GLOBE  | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra(E), Mumbai – 400051 |

### Depositories:

1. National Securities Depository Limited (NSDL)  
TradeWorld, 4th Floor, Kamala Mills Compound, Sanapati Bapat Marg, Lower Parel, Mumbai – 400013
2. Central Depository Services (India) Limited (CDSL)  
Marathon Futurex, A-Wing, 25th Floor, N M Joshi Marg, Lower Parel, Mumbai - 400013

The Shares of the Company are traded compulsorily in Demat Segments. The ISIN allotted to the Company's Equity Shares under the depository system is **INE581X01021\***.

*\* The Company has approved sub divided the equity share from the face value of Rs. 10/- each to face value of Rs. 2/- each in the EGM held on July 27, 2021. The ISIN Code has been changed w.e.f. August 03, 2021 pursuant to approval of NSE vide NSE letter NSE/CML/49073 dated July 28, 2021.*

An annual Listing fee has been paid to the NSE Limited for the FY 2021-22.

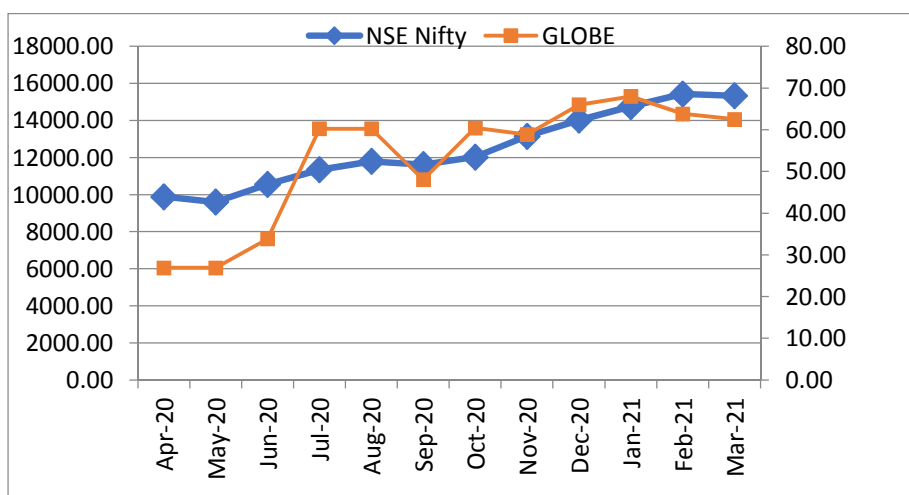
#### Market price Data: High, Low during each month in Financial Year 2020-21

Monthly Share Price Movement during the financial year 2020-21 at NSE:

| Month           | High INR | Low INR | Volume (No of Shares) |
|-----------------|----------|---------|-----------------------|
| April, 2020     | 26.90    | 26.00   | Nil                   |
| May, 2020       | 26.90    | 26.00   | Nil                   |
| June, 2020      | 33.85    | 26.45   | 534000                |
| July, 2020      | 60.25    | 35.50   | 894000                |
| August, 2020    | 60.25    | 35.50   | 34000                 |
| September, 2020 | 48.05    | 46.00   | 164000                |
| October, 2020   | 60.45    | 49.00   | 2424865               |
| November, 2020  | 58.85    | 50.80   | 482457                |
| December, 2020  | 66.00    | 53.95   | 798479                |
| January, 2021   | 68.00    | 59.00   | 456666                |
| February, 2021  | 63.80    | 55.65   | 41194                 |
| March, 2021     | 62.50    | 45.15   | 75403                 |

(Source: This information is compiled from the data available from the website of NSE)

#### Performance in comparison to broad-based indices such as NSE Nifty



#### Registrar and Transfer Agents

Bigshare Services Private Limited has been appointed as Registrar and Transfer Agents of the Company for both Physical and Demat Shares. The address is given as below:

Bigshare Services Private Limited (SEBI Registration Number: INRO00001385)

A-802, Samudra Complex, Off C G Road, Navrangpura, Near Girish Cold Drinks, Ahmedabad - 380009

Tel: +91 79 40024135

Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

Contact Person: Mr. Ramesh Nair

Shareholders are requested to correspond directly with the Registrar and Transfer Agent for transfer/transmission of shares, change of address, queries pertaining to their shares, dividend etc.

### Share Transfer System

SEBI has mandated that, effective April 1, 2019; no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialised. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

During the year, the Company had obtained, on half-yearly basis, a certificate, from a Company Secretary in Practice, certifying that all certificates have been issued within thirty days of the date of lodgement of the transfer (for cases lodged prior to April 1, 2019), sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and filed a copy of the said certificate with the Stock Exchanges.

Trading in equity shares of the Company is permitted only in dematerialised form.

### Distribution of Shareholding as on March 31, 2021 is as follows:

| Range (No of Shares) | Number of Shareholders |               | Equity Shares held in each category |               |
|----------------------|------------------------|---------------|-------------------------------------|---------------|
|                      | Shareholders           | % of total    | Total Shares                        | % of total    |
| Up to 500            | 202                    | 43.4409       | 30859                               | 0.3063        |
| 501 to 1000          | 31                     | 6.6667        | 26718                               | 0.2652        |
| 1001 to 2000         | 115                    | 24.7312       | 217531                              | 2.1589        |
| 2001 to 3000         | 12                     | 2.5806        | 31235                               | 0.3100        |
| 3001 to 4000         | 24                     | 5.1613        | 95500                               | 0.9478        |
| 4001 to 5000         | 3                      | 0.6452        | 15000                               | 0.1489        |
| 5001 to 10000        | 27                     | 5.8065        | 199876                              | 1.9837        |
| Above 10000          | 51                     | 10.9677       | 9459381                             | 93.8794       |
| <b>Total</b>         | <b>465</b>             | <b>100.00</b> | <b>10076100</b>                     | <b>100.00</b> |

### Shareholding Pattern as on March 31, 2021 is as follows:

| Category                     | No of Shares held | % of Total    |
|------------------------------|-------------------|---------------|
| Promoters and Promoter Group | 7392100           | 73.36%        |
| Individuals                  | 2348766           | 23.31         |
| Bodies Corporate             | 104411            | 1.03          |
| HUF                          | 226379            | 2.25          |
| Clearing member              | 1944              | 0.02          |
| Non-Resident Indian (NRI)    | 2500              | 0.02          |
| <b>Total</b>                 | <b>10076100</b>   | <b>100.00</b> |

### **Dematerialisation of Shares and Liquidity**

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on March 31, 2021, 10076100 Equity Shares (constituting 100.00%) were in dematerialized form.

The demat security (ISIN) code for the Equity Share is INE581X01021\*.

*\* The Company has approved sub divided the equity share from the face value of Rs. 10/- each to face value of Rs. 2/- each in the EGM held on July 27, 2021. The ISIN Code has been changed w.e.f. August 03, 2021 pursuant to approval of NSE vide NSE letter NSE/CML/49073 dated July 28, 2021.*

### **Outstanding GDRS / ADRS / Warrants / Any Other Convertible Instruments**

The Company does not have any outstanding instruments of the captioned type.

### **Proceeds from Public Issue / Rights Issue / Preferential Issue / Warrant Conversion**

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

### **Plant Locations**

1. SEZ Unit: Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC, Khokhra, Ahmedabad – 380 008
2. Godown: Shed No. 16 to 18, Shri Shakti Estate and Warehouse, Piplej-Pirana Road, Piplej, Ahmedabad – 382415
3. Godown: Shed No. 19, 22 to 24, Shri Shakti Estate and Warehouse, Piplej-Pirana Road, Piplej, Ahmedabad – 382415

### **Commodity Price Risks or Foreign Exchange Risk and Commodity Hedging Activity**

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of brand image mitigates the impact of price risk on finished goods. Business risk evaluation and Management is an on-going process within the Company. The Assessment is periodically examined by the Board. Disclosure on risks is forming part of Management Discussion and Analysis Report during the period under review.

### **Details of Unpaid/Unclaimed Dividend Amounts**

Not applicable as the Company has not declared any dividends.

### Address for Correspondence

#### **Globe Textiles (India) Limited**

Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC, Khokhra, Ahmedabad – 380008

Tel: +91 79 2293 1881 to 1885 | Email: [cs@globetextiles.net](mailto:cs@globetextiles.net) | Website: [www.globetextiles.net](http://www.globetextiles.net)

CIN: L65910GJ1995PLC027673

For any queries relating to the shares of the Company, correspondence may be addressed to the Company's RTA at:

Bigshare Services Private Limited (SEBI Registration Number: INRO00001385)

A-802, Samudra Complex, Off C G Road, Navrangpura, Near Girish Cold Drinks, Ahmedabad - 380009

Tel: +91 79 40024135 Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)

Contact Person: Mr. Ramesh Nair

## OTHER DISCLOSURES

### Related Party Transaction

All Related Party Transactions during the year have been disclosed in notes on financial statements as per the requirement of "Ind AS 24 - Related Party Disclosure issued by Institute of Chartered Accountants of India (ICAI)". All the transactions entered into with Related Parties as defined under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the Ordinary Course of business and on arm's length pricing basis. Prior approval of members as well as the Audit Committee is obtained for all Related Party Transactions.

Transactions with related parties are disclosed in detail in Note No. 35 in "Notes forming part of the Accounts" annexed to the financial statements for the year.

The Board has approved a policy for related party transactions which is available on the website of the Company at <http://globetextiles.net/wp-content/uploads/2021/06/Policy-on-Related-Party-Transaction.pdf>.

Business risk evaluation and management is an on-going process within the Organization. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.

### Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Para C of Schedule V to the Listing Regulations

The Company has, to the extent applicable, complied with all the requirements of corporate governance report of sub-paras (2) to (10) of Para C of Schedule V to the Listing Regulations.

### **Details of Non-Compliance by the Company, Penalties, and Strictures imposed on the Company by Stock Exchange or SEBI, or Any Statutory Authority, on Any Matter Related to Capital Markets, during the Last Three Years**

No Strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

### **Subsidiary Companies**

The Company doesn't have any subsidiary Company.

### **Vigil Mechanism**

The Company has implemented a Vigil Mechanism / Whistle Blower Policy covering the employees. The Policy enables the employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of Conduct. Employees can lodge their Complaints through anonymous e-mails besides usual means of communications like written complaints. The Vigil Mechanism / Whistle Blower Policy as approved by the Board is available on the website of the Company at <http://globetextiles.net/wp-content/uploads/2021/05/Vigil-Mechanism.pdf>.

### **Risk Management**

The Company has framed a formal Risk Management Framework for risk assessment and risk minimization to ensure smooth operation and effective management control. The Audit Committee has to review the adequacy of the risk management framework of the Company, the key risks associated with the business and to measure the steps to minimize the same.

### **Code of Conduct for Prevention of Insider Trading**

The codes viz. "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires preclearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

### **Prevention of Sexual Harassment of Women at Workplace**

The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. There were no complaints pertaining to sexual harassment during the year under review, in terms of the provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under.

## **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

During the year, the Company has complied with the mandatory requirements as stipulated under SEBI (LODR) Regulations, 2015.

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, is provided below:

### **a) The Board**

The Chairman of the Company is Executive Director.

### **b) Shareholders Right**

The Quarterly, Half-yearly and Annual Financial Results of the Company are published in newspapers and posted on Company's website [www.globetextiles.net](http://www.globetextiles.net). The same are also available on the site of the stock exchange where the shares of the Company are listed i.e. [www.nseindia.com](http://www.nseindia.com).

### **c) Modified Opinion(s) Audit Report**

The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on financial statements.

### **d) Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

## **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulations 32 (7A): Not Applicable**

### **Fees Paid to the Statutory Auditors**

Details relating to fees paid to the Statutory Auditors are given in Note 27(a) to the Financial Statements.

## **The details of any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year and which is not accepted by the Board**

The Board of Directors of the Company has accepted all recommendation of the Committees of the Board.

### **Disclosures with respect to demat suspense account/ unclaimed suspense account**

The Company do not have any demat suspense account/ unclaimed suspense account and no shares of the Company are unclaimed.

**The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations:**

| Sr. No. | Particulars                                                                                                       | Regulation                   | Compliance Status (Yes/No/NA) |
|---------|-------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------|
| 1       | Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility' | 16(1)(b) & 25(6)             | Yes                           |
| 2       | Board composition                                                                                                 | 17(1), 17(1A) & 17(1B)       | Yes                           |
| 3       | Meeting of Board of directors                                                                                     | 17(2)                        | Yes                           |
| 4       | Quorum of Board meeting                                                                                           | 17(2A)                       | Yes                           |
| 5       | Review of Compliance Reports                                                                                      | 17(3)                        | Yes                           |
| 6       | Plans for orderly succession for appointments                                                                     | 17(4)                        | Yes                           |
| 7       | Code of Conduct                                                                                                   | 17(5)                        | Yes                           |
| 8       | Fees/compensation                                                                                                 | 17(6)                        | Yes                           |
| 9       | Minimum Information                                                                                               | 17(7)                        | Yes                           |
| 10      | Compliance Certificate                                                                                            | 17(8)                        | Yes                           |
| 11      | Risk Assessment & Management                                                                                      | 17(9)                        | Yes                           |
| 12      | Performance Evaluation of Independent Directors                                                                   | 17(10)                       | Yes                           |
| 13      | Recommendation of Board                                                                                           | 17(11)                       | Yes                           |
| 14      | Maximum number of Directorships                                                                                   | 17A                          | Yes                           |
| 15      | Composition of Audit Committee                                                                                    | 18(1)                        | Yes                           |
| 16      | Meeting of Audit Committee                                                                                        | 18(2)                        | Yes                           |
| 17      | Composition of nomination & remuneration committee                                                                | 19(1) & 18(2)                | Yes                           |
| 18      | Quorum of Nomination and Remuneration Committee meeting                                                           | 19(2A)                       | Yes                           |
| 19      | Meeting of Nomination and Remuneration Committee                                                                  | 19(3A)                       | Yes                           |
| 20      | Composition of Stakeholder Relationship Committee                                                                 | 20(1), 20(2) & 20(2A)        | Yes                           |
| 21      | Meeting of Stakeholders Relationship Committee                                                                    | 20(3A)                       | Yes                           |
| 22      | Composition and role of risk management committee                                                                 | 21(1),(2),(3),(4)            | NA                            |
| 23      | Meeting of Risk Management Committee                                                                              | 21(3A)                       | NA                            |
| 24      | Vigil Mechanism                                                                                                   | 22                           | Yes                           |
| 25      | Policy for related party Transaction                                                                              | 23(1),(1A),(5),(6),(7) & (8) | Yes                           |
| 26      | Prior or Omnibus approval of Audit Committee for all related party transactions                                   | 23(2), (3)                   | Yes                           |
| 27      | Approval for material related party transactions                                                                  | 23(4)                        | NA                            |
| 28      | Disclosure of related party transactions on consolidated basis                                                    | 23(9)                        | Yes                           |
| 29      | Composition of Board of Directors of unlisted material Subsidiary                                                 | 24(1)                        | NA                            |
| 30      | Other Corporate Governance requirements with respect to subsidiary of listed entity                               | 24(2),(3),(4),(5) & (6)      | NA                            |
| 31      | Annual Secretarial Compliance Report                                                                              | 24(A)                        | Yes                           |
| 32      | Alternate Director to Independent Director                                                                        | 25(1)                        | NA                            |
| 33      | Maximum Tenure                                                                                                    | 25(2)                        | Yes                           |

|    |                                                                                                                   |               |     |
|----|-------------------------------------------------------------------------------------------------------------------|---------------|-----|
| 34 | Meeting of independent directors                                                                                  | 25(3) & (4)   | Yes |
| 35 | Familiarization of independent directors                                                                          | 25(7)         | Yes |
| 36 | Declaration from Independent Director                                                                             | 25(8) & (9)   | Yes |
| 37 | D & O Insurance for Independent Directors                                                                         | 25(10)        | NA  |
| 38 | Memberships in Committees                                                                                         | 26(1)         | Yes |
| 39 | Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3)         | Yes |
| 40 | Disclosure of Shareholding by Non-Executive Directors                                                             | 26(4)         | Yes |
| 41 | Policy with respect to Obligations of directors and senior management                                             | 26(2) & 26(5) | Yes |

**Web links for the matters referred in this Report are as under:**

| Sr. No. | Item with Web address                                                                                                                                                                                                                                                                                            | Compliance Status (Yes/No/NA) |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 1       | Details of business<br><a href="http://globetextiles.net/">http://globetextiles.net/</a>                                                                                                                                                                                                                         | Yes                           |
| 2       | Terms and conditions of appointment of independent directors<br><a href="http://globetextiles.net/wp-content/uploads/2021/05/Code-of-Conduct-for-Independent-Director.pdf">http://globetextiles.net/wp-content/uploads/2021/05/Code-of-Conduct-for-Independent-Director.pdf</a>                                  | Yes                           |
| 3       | Composition of various committees of board of directors<br><a href="http://globetextiles.net/committees-of-board-of-directors/">http://globetextiles.net/committees-of-board-of-directors/</a>                                                                                                                   | Yes                           |
| 4       | Code of conduct of board of directors and senior management personnel<br><a href="http://globetextiles.net/wp-content/uploads/2021/05/Code-of-conduct-for-Board-Members-and-Senior-Members.pdf">http://globetextiles.net/wp-content/uploads/2021/05/Code-of-conduct-for-Board-Members-and-Senior-Members.pdf</a> | Yes                           |
| 5       | Details of establishment of vigil mechanism/ Whistle Blower policy<br><a href="http://globetextiles.net/wp-content/uploads/2021/05/Vigil-Mechanism.pdf">http://globetextiles.net/wp-content/uploads/2021/05/Vigil-Mechanism.pdf</a>                                                                              | Yes                           |
| 6       | Criteria of making payments to non-executive directors<br><a href="http://globetextiles.net/wp-content/uploads/2021/06/Nomination-and-Remuneration-Policy.pdf">http://globetextiles.net/wp-content/uploads/2021/06/Nomination-and-Remuneration-Policy.pdf</a>                                                    | Yes                           |
| 7       | Policy on dealing with related party transactions<br><a href="http://globetextiles.net/wp-content/uploads/2021/06/Policy-on-Related-Party-Transaction.pdf">http://globetextiles.net/wp-content/uploads/2021/06/Policy-on-Related-Party-Transaction.pdf</a>                                                       | Yes                           |
| 8       | Policy for determining 'material' subsidiaries<br><a href="http://globetextiles.net/wp-content/uploads/2021/06/Policy-for-Determining-Material-Subsidiary.pdf">http://globetextiles.net/wp-content/uploads/2021/06/Policy-for-Determining-Material-Subsidiary.pdf</a>                                            | Yes                           |
| 9       | Details of familiarization programmes imparted to independent directors<br><a href="http://globetextiles.net/wp-content/uploads/2021/05/Policy-of-Familiarization-Programme.pdf">http://globetextiles.net/wp-content/uploads/2021/05/Policy-of-Familiarization-Programme.pdf</a>                                 | Yes                           |
| 10      | Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances<br><a href="http://globetextiles.net/grievance-cell/">http://globetextiles.net/grievance-cell/</a>                                                                       | Yes                           |
| 11      | email address for grievance redressal and other relevant details<br><a href="http://globetextiles.net/grievance-cell/">http://globetextiles.net/grievance-cell/</a>                                                                                                                                              | Yes                           |
| 12      | Financial results<br><a href="http://globetextiles.net/audited-financials-2/">http://globetextiles.net/audited-financials-2/</a><br><a href="http://globetextiles.net/un-audited-financials/">http://globetextiles.net/un-audited-financials/</a>                                                                | Yes                           |
| 13      | Shareholding pattern<br><a href="http://globetextiles.net/shareholding-2/">http://globetextiles.net/shareholding-2/</a>                                                                                                                                                                                          | Yes                           |
| 14      | Details of agreements entered into with the media companies and/or their associates                                                                                                                                                                                                                              | NA                            |

|    |                                                                                                                                                                                                                                                                            |     |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| 15 | Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange                                                                                     | NA  |
| 16 | New name and the old name of the listed entity                                                                                                                                                                                                                             | NA  |
| 17 | Advertisements as per regulation 47 (1)<br><a href="http://globetextiles.net/newspaper-publications/">http://globetextiles.net/newspaper-publications/</a>                                                                                                                 | Yes |
| 18 | Credit rating or revision in credit rating obtained                                                                                                                                                                                                                        | NA  |
| 19 | Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year                                                                                                                                                      | NA  |
| 20 | Whether company has provided information under separate section on its website as per Regulation 46(2)<br><a href="http://globetextiles.net/">http://globetextiles.net/</a>                                                                                                | Yes |
| 21 | Materiality Policy as per Regulation 30<br><a href="http://globetextiles.net/wp-content/uploads/2021/05/Policy-on-Determination-of-Materiality-of-Events.pdf">http://globetextiles.net/wp-content/uploads/2021/05/Policy-on-Determination-of-Materiality-of-Events.pdf</a> | Yes |
| 22 | Dividend Distribution policy as per Regulation 43A                                                                                                                                                                                                                         | NA  |
| 23 | It is certified that these contents on the website of the listed entity are correct                                                                                                                                                                                        | Yes |

#### CEO AND CFO CERTIFICATION

The Managing Director (MD) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report. The MD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

#### NON DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. Jatinbhai Harishbhai Kapadia, Proprietor of M/s. K. Jatin & Co., Practicing Company Secretaries, has issued a certificate as required under the SEBI (LODR) Regulations, 2015, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

#### COMPLIANCE CERTIFICATE OF COMPANY SECRETARY IN PRACTICE

Mr. Jatinbhai Harishbhai Kapadia, Proprietor of M/s. K. Jatin & Co., Practicing Company Secretaries, has issued a certificate confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

#### CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, the affirmation that they have complied with the 'Code of Conduct' in respect of the financial year 2020-21.

Date: August 14, 2021  
Place: Ahmedabad

**Bhavik Suryakant Parikh**  
Managing Director

## CEO / CFO CERTIFICATE

To,  
The Board of Directors  
Globe Textiles (India) Limited  
Ahmedabad

### Re: Financial Statements for the year 2020-21 - Certification by CEO and CFO

We, Bhavik Suryakant Parikh, Chairman & Managing Director and Bhavin Suryakant Parikh, Chief Executive Officer and Chief Financial Officer of Globe Textiles (India) Limited, certify that:

1. We have reviewed financial statements and the cash flow statement of Globe Textiles (India) Limited ("the Company") for the year ended March 31, 2021 and to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
  - a) there are no significant changes in internal controls over financial reporting during the year;
  - b) there are no significant changes in accounting policies during the year; and
  - c) there are no instances of significant fraud of which we have become aware.

Date: August 14, 2021  
Place: Ahmedabad

**Bhavik Suryakant Parikh**  
Managing Director

**Bhavin Suryakant Parikh**  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members  
**Globe Textiles (India) Limited**  
Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC, Khokhra, Ahmedabad – 380008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Globe Textiles (India) Limited having CIN: L65910GJ1995PLC027673 and having registered office at Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC, Khokhra, Ahmedabad – 380 008 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director            | Director Identification Number | Date of Appointment in the Company* |
|---------|-----------------------------|--------------------------------|-------------------------------------|
| 1       | BHAVIK SURYAKANT PARIKH     | 00038223                       | 03/04/2012                          |
| 2       | BHARAT SHAMJIBHAI PATEL     | 00243783                       | 26/05/2017                          |
| 3       | YOGESH KANHIYALAL VAIDYA    | 00468732                       | 27/03/2017                          |
| 4       | NILAYBHAI JAGDISHBHAI VORA  | 02158990                       | 31/03/2008                          |
| 5       | PURVI BHAVIN PARIKH         | 07732523                       | 28/02/2017                          |
| 6       | RAJATKUMAR DINESHBHAI PATEL | 09124295                       | 30/03/2021                          |

*\* As per website of Ministry of Corporate Affairs.*

It shall be noted that ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: August 14, 2021  
Place: Ahmedabad

**For, K Jatin & Co.**  
**Jatin H. Kapadia**  
Practicing Company Secretary  
ACS No.: 26725 C P No.: 12043  
UDIN: A026725C000876211

## **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

(Refer Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**Globe Textiles (India) Limited**  
Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC, Khokhra, Ahmedabad – 380008

The Corporate Governance Report prepared by Globe Textiles (India) Limited (“the Company”), contains details as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the Listing Regulations”) (‘applicable criteria’) with respect to Corporate Governance for the year ended March 31, 2021. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### **Management’s Responsibility**

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor’s Responsibility**

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulations.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedure includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve me performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

## Opinion

Based on the procedures performed by me as referred above and according to the information and explanations given to me, I am of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2021, referred above.

We 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.

## Other Matters and Restriction on use

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

Date: August 14, 2021  
Place: Ahmedabad

**For, K Jatin & Co.**  
**Jatin H. Kapadia**  
Practicing Company Secretary  
ACS No.: 26725 C P No.: 12043  
UDIN: A026725C000876222

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW

This Management's Discussion and Analysis Report discusses our financial and operating performance, business indicators and outlook from management's point of view. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry has around 45 million of workers employed in textiles sector, including 3.5 million handloom workers. India's textile and apparel exports stood at US\$ 33.80 billion in FY20. COVID-19 has impacted the Indian textile and apparel exports and the total exports are expected to reach US\$ 65 by FY26. The Indian textile and apparel industry is expected to grow to US\$ 190 billion by FY26. The Indian apparel market was US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025. India is working on major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring. Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials. In January 2021, the Indian Texpreneurs' Federation (ITF) suggested a six-pronged strategy to achieve double-digit growth in the textiles and apparel sector. ITF published the strategy under the theme '2021-A year of progress for Indian Textile & Apparel Sector'.

### COVID IMPACT

In the year 2020, the COVID-19 pandemic quickly became a global health and economic crisis of unprecedented proportions.

The following are the impact of CoVID-19 pandemic in textile and apparel sector:

#### ❖ Manufacturing shutdown

The Industry faced a complete shutdown for around 2-3 months while few manufacturers who dedicated their production systems for PPE manufacturing. The Company has also grabbed the said opportunity. But most of the units operated at sub-optimal utilization levels for several months.

#### ❖ Logistics suspended

Logistics were suspended on account of pandemic affected the entire value chain. India's April and May 2020 net trade were around 50% lower month-on-month compared to that of the previous year.

#### ❖ **Cancelled orders**

Due to the uncertainty across the market, international and domestic buyers cancelled or suspended their orders adding to the woes of the industries.

#### ❖ **Slump in physical retail sales**

Lockdown across the country resulted in slump in the retail sales of apparel for at least 4-5 months. Moreover, the festive and wedding season sales were also deeply affected.

#### ❖ **New consumer trends emerged**

India's e-commerce sector shown a steep rise in the year 2020 for sale of apparels. Work from Home drove the demand for casual wear apparels over formals.

Data released by the International Labor Organization (ILO) estimates a loss of 17% of working hours, equivalent to 495 million full-time jobs, in the second quarter of 2020 (ILO 2020b). Manufacturing, especially the garment industry in lower and middle-income countries, is among the four sectors deemed at high risk of job losses and decreased working hours due to COVID-19 disruptions. These job losses, furthermore, are likely to disproportionately impact workers especially women as the garment sector employees a large number of women. The impact is likely to continue for few more quarters and the recovery is subject to the complete containment of the pandemic.

### **OPPORTUNITIES**

#### ❖ **Immense growth potential**

- The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand.
- The textile and apparel industry is expected to grow to US\$ 190 billion by FY26.
- Urbanisation is expected to support higher growth due to change in fashion and trends

#### ❖ **Proposed FDI in multi-brand retail**

- For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers.
- It will also bring in greater investment along the entire value chain - from agricultural production to final manufactured goods.
- With global retail brands assured of a domestic foothold, outsourcing will also rise significantly

#### ❖ **Union Budget 2021-22 highlights**

- Under Union Budget 2021-22, the Government of India allocated ~Rs. 3,631.64 crore (US\$ 497.70 million) to the Ministry of Textiles
- Positive measures in the budget 2021-22 for textile sector are as follows:
  - Mega Investment Textiles Park (MITRA) scheme, in addition to production-linked incentive (PLI) scheme, to establish seven textile parks over a three-year period.

- Uniform reduction of basic customs duty (BCD) rates to 5% on caprolactam, nylon chips and nylon fibre & yarn to spur textile industry, MSMEs and exports.
- Customs duty on cotton from 0 to 10% and on raw silk and silk yarn from 10% to 15% to benefit domestic cotton and silk growers

#### ❖ Foreign investments

- The Government is taking initiatives to attract foreign investment in the textile sector through promotional visits to countries such as Japan, Germany, Italy and France.
- According to the new Draft of the National Textile Policy, the Government is planning to attract foreign investment and creating employment opportunities for 35 million people.
- FDI inflow in textiles sector, inclusive of dyed and printed textile, stood at US\$ 3.68 billion between April 2000 and December 2020.
- In December 2019, online clothing brand, Henry & Smith, raised US\$ 1 million from WEH Ventures and Rukam Capital.
- India can become the one-stop sourcing destination for companies from Association of Southeast Asian Nations (ASEAN) as there exist several opportunities for textile manufacturing companies from 10-nation bloc to invest in India.

#### THREATS

- The overall closure of markets, malls and high streets in the beginning of pandemic last year due to lockdown which is expected to affect the business, is considered short threat.
- A prolonged lockdown due to COVID-19 in many parts where the Company operates can have a significant impact on its business. Consumer will be cautious in purchase of wearing apparels due to CoVID-19 pandemic.
- Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.
- Threat for Traditional Market for Power loom and Handloom Products and forcing them for product diversification.
- To make balance between price and quality due to market closure on account of wide spread Covid-19.
- Competition from other developing countries, especially China.
- Geographical disadvantages.
- To balance the demand and supply.
- Elimination of Quota system will lead to fluctuations in Export Demand.

#### SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

The Company has determined its business as Textiles Trading and Manufacturing. Since there is no other business segment in which the Company operates, there are no other primary reportable segments. For the period under review, the Company has noted the export sales of Rs. 58.99 Cr and domestic sales of Rs. 193.03 Cr.

## OUTLOOK

The Covid-19 pandemic is a global humanitarian and health crisis. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, resulted in significant disruption to people and businesses. Consequently, market demand and supply chains have been affected, significantly increasing the risk of a global economic recession.

Despite the adverse situation, the company strived hard to come out of the uncertainties prevailing in the market through its strategic planning and tireless effort and achieved commendable results. India is working on major initiatives, to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on rise. Government is supporting the sector through funding and machinery sponsoring.

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

## RISKS AND CONCERNS

Your Company continues to strengthen its robust Risk Management Framework and the same was reviewed by the Audit Committee periodically. The Committee focuses on ensuring that risks promptly identified initially and a mitigation plan is developed and monitored periodically to ensure that risks are being addressed accordingly. The Committee operates with following objectives especially related to risks:

- Identify and highlight risks affecting the company.
- Facilitate discussion around risk prioritization and mitigation. The company's approach in addressing business risks includes periodical review of such risks and thereby mitigating it effectively.
- Provide a framework to assess risk capacity and appetite; develop systems to warn when the appetite is getting breach

Your company believes that managing risk helps in maximizing return. Some of the risks that the company is exposed to are:

- **FINANCIAL RISKS:** Given the interest rate fluctuations, your Company has adopted a prudent and conservative risk mitigation strategy to minimize financial and interest cost risks.
- **COMMODITY PRICE RISKS:** The Company is exposed to the risk of price fluctuations of raw materials as well as finished goods. The company proactively manages these risks through forward booking and inventory management.
- **REGULATORY RISKS:** The Company recognized its risks attached to various statutes, laws and regulations. The company is mitigating these risks through regular review of legal

compliances carried out through our internal as well as external compliance audits by our customers.

- **HUMAN RESOURCE RISKS:** Retaining the existing talent pool and attracting new talent are the major risks affecting the company. We have initiated various measures including rolling out of strategic talent management systems, training and integration of learning and development activities.
- **STRATEGIC RISKS:** Emerging businesses, capital expenditure for capacity expansion etc. are normal strategic risks faced by your company.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system commensurate with its size and the nature of its business in order to achieve efficiency in operation and optimum utilization of resources. The company has SOPs to control its activities and the same have been finalized and put into practice. However for the year under review, company had not implemented defined SOP to manage its operations. Accordingly there are some limitations in the control aspects of financial reporting. Except for the possible effects of this material weakness, the company has maintained in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2021.

## PERFORMANCE

Key Highlights of the Company's financial performance for the year ended March 31, 2021 is summarized below:

| (INR in Lakhs)                                                               |                |                |
|------------------------------------------------------------------------------|----------------|----------------|
| Particulars                                                                  | March 31, 2021 | March 31, 2020 |
| Revenue from Operations (Net)                                                | 25909.28       | 26516.81       |
| Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense | 885.4          | 1193.55        |
| Less: Depreciation/ Amortization/ Impairment                                 | 124.42         | 125.67         |
| Profit before Finance Costs, Exceptional items and Tax Expense               | 760.98         | 1067.88        |
| Less: Finance Costs                                                          | 625.64         | 669.08         |
| Profit /loss before Exceptional items and Tax Expense                        | 135.34         | 398.8          |
| Exceptional items                                                            | NIL            | NIL            |
| Profit before Tax Expense                                                    | 135.34         | 398.8          |
| Less: Tax Expense (Current & Deferred)                                       | 110.22         | 89.09          |
| Profit for the year                                                          | 25.12          | 309.71         |
| EPS (Basic)                                                                  | 0.25           | 3.07           |
| EPS (Diluted)                                                                | 0.25           | 3.07           |

The Financial Statements as stated above are also available on the website of the Company at [www.globetextiles.net](http://www.globetextiles.net).

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

As on March 31, 2021, we have 539 employees across in our businesses. The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

## DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS AND RETURN ON NETWORTH

Below are the details of significant changes in key financial ratios and return of net worth of the Company.

| Sr. No. | Ratio                       | FY 2020-21 | FY 2019-20 | Explanation                                                                                                                                                                   |
|---------|-----------------------------|------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Debtors Turnover            | 2.32       | 2.74       | N.A                                                                                                                                                                           |
| 2       | Interest Coverage Ratio     | 1.22       | 1.60       | N.A                                                                                                                                                                           |
| 3       | Inventory Turnover Ratio    | 3.98       | 4.44       | N.A                                                                                                                                                                           |
| 4       | Current Ratio               | 1.16       | 1.18       | N.A                                                                                                                                                                           |
| 5       | Debt Equity Ratio           | 4.00       | 3.39       | N.A                                                                                                                                                                           |
| 6       | Operating Profit Margin (%) | 2.94%      | 4.03%      | Ratio shows significant correction on account of increase in operating cost as compared to the previous year.                                                                 |
| 7       | Net Profit Margin (%)       | 0.10%      | 1.17%      | Ratio shows significant correction on account of higher cost structure and pricing structure as compared to the previous year due to Covid-19 impacts.                        |
| 8       | Return on Net Worth (%)     | 0.59%      | 7.33%      | Ratio shows significant correction due to lower operating profit margin and lower net profit margin ratios as compared to previous year resulting in low return on net worth. |

## CAUTIONARY STATEMENT

Statement in Management Discussion and Analysis report describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31 March, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

GLOBE TEXTILES (INDIA) LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GLOBE TEXTILES (INDIA) LIMITED (hereinafter called 'the Company'). Secretarial Audit was conducted, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 period ended on 31 March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns, filed and other record maintained by the Company for the financial year ended on 31 March, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. 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 Borrowings; **Not applicable**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 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;
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable**
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable**

- h) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. - **Not applicable**

vi. Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

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

- i. Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India. - Generally complied with.
- ii. The Listing Agreements and 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, and Standards etc.

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.

Generally, 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 the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

**K. JATIN & CO.,  
(COMPANY SECRETARY)  
(UCN: S2017GJ508600)**

**DATE: JULY 31, 2021  
PLACE: AHMEDABAD  
UDIN: A026725C000716469**

**JATINBHAI HARISHBHAI KAPADIA  
PROPRIETOR  
COP: 12043  
ACS: 26725**

*Note: This Report is to be read with my letter of even date which is annexed as Annexure - I and forms an integral part of this report.*

**Annexure I**

**To**  
**The Members**  
**GLOBE TEXTILES (INDIA) LIMITED**

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for 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 verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**K. JATIN & CO.,**  
**(COMPANY SECRETARY)**  
**(UCN: S2017GJ508600)**

**DATE: JULY 31, 2021**  
**PLACE: AHMEDABAD**  
**UDIN: A026725C000716469**

**JATINBHAI HARISHBHAI KAPADIA**  
**PROPRIETOR**  
**COP: 12043**  
**ACS: 26725**

## Form AOC -2

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

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

### 1. Details of Contracts or arrangements or transactions not at arm's Length basis

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of Contracts/ Arrangements/ Transactions | Duration of The Contracts/ Arrangements/ Transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of Approval by the Board | Amount paid as advances, if any: | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---------|---------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|-------------------------------------------------------------------------------------------------------------------|
|         | (a)                                                     | (b)                                             | (c)                                                   | (d)                                                                                        | (e)                              | (f)                              | (h)                                                                                                               |

### 2. Details of contracts or arrangements or transactions at Arm's length basis

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of Contracts/ Arrangements/ Transactions | Duration of The Contracts/ Arrangements/ Transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any: |
|---------|---------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
|         | (a)                                                     | (b)                                             | (c)                                                   | (d)                                                                                        | (e)                              | (f)                              |
| 1       | Kunthunath Impex LLP                                    | Purchase of Goods                               | On yearly basis with terms of renewal                 | Paid Rs. 51,09,235/- towards the purchase of goods                                         | 09/07/2020                       | NIL                              |
| 2       | Globe Denwash Private Limited                           | Purchase of Goods                               | On yearly basis with terms of renewal                 | Paid Rs. 54,97,620/- for Purchase of goods                                                 | 09/07/2020                       | NIL                              |

#### Registered Office:

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC, Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 14/08/2021  
Place: Ahmedabad

#### By Order of the Board of Directors

**For, GLOBE TEXTILES (INDIA) LIMITED**

Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)

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

(The information under section 134 (3) (m) of the Companies Act, 2013 read with rule 8 (3) of the Companies (Accounts) Rules, 2014)

### A. CONSERVATION OF ENERGY

#### I. *Steps taken or impact on conservation of energy:*

1. Production activity during the day light as far as possible
2. Installation of Capacitors to maintain power factor for efficient use of power
3. Effective utilization of work station for energy conservation
4. Use of energy highly efficient power equipments
5. Awareness among all workers and staff members to conserve the energy.
6. Other measures like placing focused lighting systems and reducing lights wherever not needed
7. Maintenance of the machines at regular intervals

#### II. *Steps taken by the Company for utilizing alternate sources of energy:*

The Company is exploring potential of using alternate source of energy, which may be considered implementation in future.

#### III. *The Capital investment on energy conservation equipment:* Nil

#### IV. *Total energy consumption:*

| Power and fuel consumption | F.Y. 2020-21 | F.Y. 2019-20 |
|----------------------------|--------------|--------------|
| <b>1. Electricity</b>      |              |              |
| (a) Purchased Units KWH    | 178520       | 238088       |
| Total Amount (Rs.)*        | 14,64,511    | 18,63,720    |
| Rate / Unit (Rs. / KWH)    | 8.20         | 7.83         |
|                            |              |              |
| <b>2. Gas</b>              |              |              |
| Quantity (MMBTU)           | 236.64       | 360.10       |
| Total Amount (Rs.)         | 3,37,749     | 4,17,117     |
| Average Rate (Rs.)         | 1427.27      | 1158.34      |

\*Amount of Power & Fuel Exp. of rented premises is excluded.

### V. TECHNOLOGY ABSORPTION

#### I. *The efforts made towards technology absorption:*

The Company is continuously making efforts towards to improvement in technology and strengthen to improve the efficacy, productivity and profitability.

#### II. *The benefits derived like product improvement, cost reduction, product development or import substitution:*

Benefits like quality improvements, waste reduction, product diversification; cost reduction etc. has been derived.

**III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

- a. Technology Imported : NIL  
b. Year of Import : N.A  
c. Has technology been fully absorbed? : N.A  
d. If not fully absorbed, areas where this has not taken place, and the reasons: N.A

**IV. The expenditure incurred on Research & Development: Nil**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a) The Company has taken various steps to increase the exports of the products during the year.  
b) Foreign exchange earnings and outgo during the year:

| Sr.<br>No. | Particulars               | ₹ in Lakhs   |              |
|------------|---------------------------|--------------|--------------|
|            |                           | F.Y. 2020-21 | F.Y. 2019-20 |
| 1          | Foreign Exchange Earnings | 5917.28      | 12920.14     |
| 2          | Foreign Exchange Outgo    | 88.13        | 182.86       |

**Registered Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC, Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 14/08/2021  
Place: Ahmedabad

By Order of the Board of Directors

**For, GLOBE TEXTILES (INDIA) LIMITED**

Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)

## Annexure-“F”

The ratio of the remuneration of each director to the median employee’s remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| Sr.No. | Requirements                                                                                                                                                                                                                                                                                                                                       | Disclosure                                                                                                                                                                                                                                       |            |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| I.     | The ratio of the remuneration of each director to the median remuneration of the employees for the financial year                                                                                                                                                                                                                                  | MD                                                                                                                                                                                                                                               | 5.75 times |
|        |                                                                                                                                                                                                                                                                                                                                                    | WTD                                                                                                                                                                                                                                              | 0.64 times |
| II.    | The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year                                                                                                                                                                                                                                                       | No increase                                                                                                                                                                                                                                      |            |
| III.   | The percentage increase in the median remuneration of employees in the financial year                                                                                                                                                                                                                                                              | No increase                                                                                                                                                                                                                                      |            |
| IV.    | The number of permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2021                                                                                                                                                                                                                                                   | 539                                                                                                                                                                                                                                              |            |
| V.     | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | Average percentile increase made in the salaries of the employees other than the managerial personnel in the last financial year is NIL and there is no increment in the remuneration of Managerial Personnel. Hence, no comparison is provided. |            |
| VI.    | Affirmation that the remuneration is as per the remuneration policy of the company                                                                                                                                                                                                                                                                 | Yes, it is confirmed                                                                                                                                                                                                                             |            |

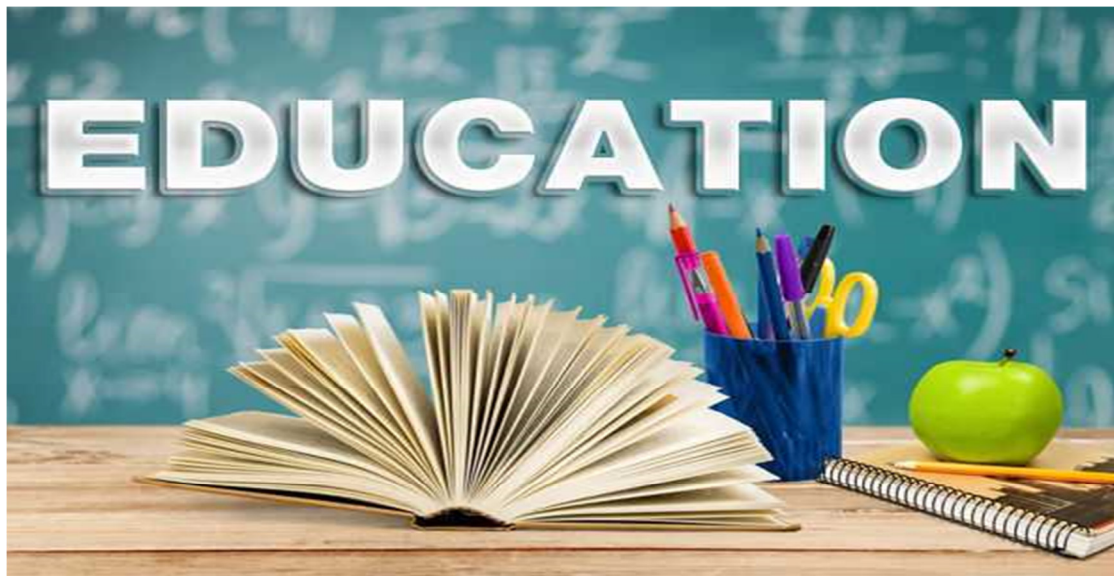
### Registered Office:

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 14/08/2021  
Place: Ahmedabad

By Order of the Board of Directors  
**For, GLOBE TEXTILES (INDIA) LIMITED**

Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)

## Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2020-21



### 1. **Brief outline on CSR Policy of the Company:**

The Companies Act, 2013 has introduced the idea of CSR which your Company is voluntarily following it since last many years. Your Company believes the policy which is more and more beneficial to the society at large by promoting and encouraging economic, social and educational development and also giving active support to local initiatives around its area of operation thereby promoting upliftment of people in varied arenas of life.

Pursuant to the Section 135 of the Companies Act, 2013 (hereinafter refer as “the Act”) read with the Companies (Corporate Social Responsibility Policy) Rule, 2014, the Company is required to adopt the Corporate Social Responsibility (CSR) policy in the organization to add sense of responsibility and contribution among corporate which is expected to be Beneficial to different class of people such as children, women, uneducated, unemployed etc. towards which such CSR activities may be focused.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below: <http://globetextiles.net/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>.

### 2. **Composition of CSR committee:**

The CSR Committee of the Board is responsible for overseeing the execution of the Company’s CSR Policy. The CSR Committee comprises Independent director as Chairman, Managing Director and Whole Time Director of the Company.

| Name of Director           | Designation /<br>Nature of Directorship | Number of meetings of<br>CSR Committee held<br>during the year | Number of meetings of<br>CSR Committee<br>attended<br>during the year |
|----------------------------|-----------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------|
| Yogesh Kanhiyalal Vaidya   | Chairman / Independent Director         | 2                                                              | 2                                                                     |
| Bhavik Suryakant Parikh    | Member / Managing Director              | 2                                                              | 2                                                                     |
| Nilaybhai Jagdishbhai Vora | Member / Whole-time Director            | 2                                                              | 2                                                                     |

**3. Web link on the website of the company where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed:**

**Composition of CSR committee:** <http://globetextiles.net/wp-content/uploads/2021/05/Committees-of-Board-of-Directors.pdf>.

**CSR Policy and Projects:** <http://globetextiles.net/wp-content/uploads/2021/06/Corporate-Social-Responsibility-Policy.pdf>.

**4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

Not Applicable for the financial year under review.

**5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Nil**

**6. Average net profit of the Company as per Sec 135 (5): INR 355.42 Lakhs**

7. a. Two percent of average net profit of the Company as per Section 135(5): INR 7.11 Lakhs  
b. Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil  
c. Amount required to be set-off for the financial year, if any: Nil  
d. Total CSR obligation for the financial year (7a+7b-7c): INR 7.11 Lakhs

**8. (a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the financial year (INR in Lakhs) | Amount Unspent (INR in Lakhs)                                         |                  |                                                                                                              |        |                  |
|----------------------------------------------------------|-----------------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------|--------|------------------|
|                                                          | Total Amount transferred to Unspent CSR Account as per Section 135(6) |                  | Total Amount transferred to to any fund specified under Schedule VII as per second proviso to Section 135(5) |        |                  |
|                                                          | Amount                                                                | Date of Transfer | Name of the Fund                                                                                             | Amount | Date of Transfer |
| 7.11                                                     | Not Applicable                                                        |                  | Not Applicable                                                                                               |        |                  |

(b) Details of CSR amount spent against on-going projects for the financial year: NIL

(c) Details of CSR amount spent against other than on-going projects for the financial year:

| (1)     | (2)                 | (3)                                                         | (4)                 | (5)                 |               | (6)                                         | (7)                                    | (8)                                                |
|---------|---------------------|-------------------------------------------------------------|---------------------|---------------------|---------------|---------------------------------------------|----------------------------------------|----------------------------------------------------|
| Sr. No. | Name of the project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of Project |               | Amount spent for the project (INR in Lakhs) | Mode of implementation-Direct (Yes/No) | Mode of implementation-Through Implementing Agency |
|         |                     |                                                             |                     | State               | District      |                                             |                                        | Name                                               |
| 1       | Promoting Education | Clause (ii) promoting education                             | Yes                 | Gujarat             | Surendranagar | 7.11                                        | No                                     | Shri Jagatbharti Education & Charitable Trust      |

(d) Amount spent in administrative overheads: NIL

(e) Amount spent on impact assessment, if applicable: Not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): INR 7.11 Lakhs

(g) Details of excess amount for set-off are as follows:

| Sr. No. | Particulars                                                                                               | Amount (INR in Lakhs) |
|---------|-----------------------------------------------------------------------------------------------------------|-----------------------|
| I       | Two percent of average net profit of the company as per section 135(5)                                    | 355.42                |
| II      | Total amount spent for the financial year                                                                 | 7.11                  |
| III     | Excess amount spent for the financial year [(ii)-(i)]                                                     | 7.11                  |
| IV      | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | NIL                   |
| V       | Amount available for set off in succeeding financial years [(iii)-(iv)]                                   | NIL                   |

9. (a) Details of unspent CSR amount for the preceding three financial years : NIL

(b) Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s):

Not applicable, as the concept of 'on-going projects' has been introduced in the CSR Amendment Rules, relevant from fiscal 2021. Details of spend on all on-going projects during fiscal 2021 are covered under 8(b) above.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

No capital asset was created / acquired for fiscal 2021 through CSR spend.

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable

**Yogesh Kanhiyalal Vaidya**  
(Chairman, CSR Committee)

**Bhavik Suryakant Parikh**  
(Managing Director)

Date: August 14, 2021

Place: Ahmedabad

## INDEPENDENT AUDITOR'S REPORT

To the Members of Globe Textiles (India) Limited

Report on the audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Globe Textiles (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements, give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 independence requirements that are relevant to our audit of the Standalone Ind AS 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 audit opinion on the Standalone Ind AS Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Procedures Performed / Auditor's Response:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <p><b>Evaluation of pending tax litigations</b></p> <p>The Company has pending litigation for demand in dispute under various tax statutes which involves significant judgment to determine the possible outcome of these disputes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>Principal Audit Procedures</b></p> <p>We have obtained details of tax litigations under various statutes for the year ended 31<sup>st</sup> March 2021 from the management.</p> <p>We have reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also reviewed the legal precedence and other rulings provided for review by the management in evaluating its position in various matters.</p> <p>We have also reviewed the assumptions made by the management as at 31<sup>st</sup> March 2021 and valued whether any change was required on account of information and updates made available during the year.</p>                                                                                            |
| 2.      | <p><b>Non-responses of external confirmations request perpetrated pursuant to SA 505</b></p> <p>COVID-19 has impacted the procedure of external confirmation request. Postal methods have been scrapped in this day and age. To combat this, we had sent positive external confirmation requests through electronic modes. However, due to suspension of business activities of many confirming parties, there are fewer confirmations received than anticipated.</p> <p>In such events, in accordance with SA, auditors have to revise the assessed risk of material misstatement at the assertion level, and modify the planned audit procedures. SA also directs the auditors to perform alternative audit procedures.</p> | <p><b>Principal Audit Procedures</b></p> <p>We revised our assessed risk and have modified our audit procedures to mitigate these risks. We have obtained a reliable assurance pertaining to transactions with confirming parties, in the sense for accurate and complete processing of routine and significant classes of transactions such as revenue, purchases and cash receipts or cash purchases.</p> <p>We selected samples and tested the effectiveness of controls relating to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions.</p> <p>We performed alternative audit procedures like verification of subsequent payments and receipts to verify part of the balances appearing in the original confirmation requests.</p> |

#### Information other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexures to Board's Report but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS 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 Standalone Ind AS 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 and presentation 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 changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian

Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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.

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS 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 Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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 B';
  - 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 Standalone Ind AS Financial Statements – Refer Note 29 to the Standalone Ind AS 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.

**3. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

Place: Ahmedabad  
Date: 30/06/2021

For, **SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
Firm Reg. No. 118707W/W100724

**Karan Amlani**  
Partner  
Membership No. 193557  
UDIN - 21193557AAAADR7522

**ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2021, we report that:

- (i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) According to the information and explanations given to us, the Company has a program of physically verifying its fixed assets in a phased manner designed to cover all assets, which in our opinion is reasonable having regard to the size of the company and the nature of its business. Accordingly during the year the management had carried out physical verification and no material discrepancies were noticed on such verification.
  - c) The title deeds of immovable properties, as disclosed in Note 4 on property, plant and Equipment, to the Standalone Ind AS Financial Statements, are held in the name of the company.
- (ii) The inventory, other than stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has complied with the provisions of section 185 and 186 of the Act in respect of the loans and investments made, and guarantees and securities provided by it.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) In our opinion and according to the information and explanation given to us the Company was not required to maintain Cost records under the Companies (Cost Records and Audit) Rules, 2014, as amended for the year under Audit.
- (vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the statutory dues payable by company including income tax, Goods and Service tax, Provident fund, Employee state insurance,

Customs, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods and Service tax, Provident fund, Employee state insurance, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of provident fund, employees' state insurance, Goods and Service tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes.

| Name of the Statute | Nature of the Dues | Forum Where dispute is pending                | Amount (INR In Lakhs)* | Amount Paid Under Protest (INR In Lakhs) | Period to which the amount Relates                            |
|---------------------|--------------------|-----------------------------------------------|------------------------|------------------------------------------|---------------------------------------------------------------|
| Income Tax Act      | Income Tax Act     | Appellate Authority upto Commissioner's Level | 767.64                 | 50.00                                    | AY 2006-07, AY 2012-13 to AY 2014-15, AY 2017-18 & AY 2018-19 |

\* Amount as per Demand orders excluding interest and penalty wherever applicable.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not defaulted in repayment of loans or borrowings from Banks, Financial Institutions and dues to Debenture holder, however it had opted for moratorium in terms RBI Circulars DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020. The Company has not taken loan from government.
- (ix) Based upon the audit procedures performed, the company has not raised moneys by way of initial public offer or further public offer. In our opinion and as per the information and explanations given by the management, the Funds raised through debt instruments and term loans have been applied for the purpose they were raised.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, or on the Company by its officers or employees, noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 where applicable and all the details have been disclosed in Standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any fully or partly convertible debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place: Ahmedabad  
Date: 30/06/2021

For, **SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
Firm Reg. No. 118707W/W100724

**Karan Amlani**  
Partner  
Membership No. 193557  
UDIN - 21193557AAAADR7522

## **ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

### **Report on the Internal Financial Controls under Clause i of sub-section 3 of section 143 of the Companies Act 2013 (the Act).**

#### **Opinion**

We have audited the internal financial controls over financial reporting of the Company as of 31st March, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the company for the year ended on that date.

In our opinion, though the company has prepared SOPs to control its activities and the same have been finalized and put into practice. However for the year under review, company had not implemented defined SOP to manage its operations. Accordingly there are some limitations in the control aspects of financial reporting. In our opinion, except for the possible effects of this material weakness, the company has maintained in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March 2021 based on the internal financial controls over financial reporting criteria established by the company considering the essential components of internal financial controls stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

#### **Management’s Responsibilities 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.

#### **Auditors’ 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 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 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 judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 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 Standalone Ind AS 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.

Place: Ahmedabad  
Date: 30/06/2021

For, **SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
Firm Reg. No. 118707W/W100724

**Karan Amlani**  
Partner  
Membership No. 193557  
UDIN - 21193557AAAADR7522

**Globe Textiles (India) Limited**  
CIN : L65910GJ1995PLC027673

**Balance sheet as at March 31, 2021**

(Rs. in lakhs)

| Particulars                                                                    | Notes      | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|--------------------------------------------------------------------------------|------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                                                                  |            |                      |                      |                      |
| <b>Non-current assets</b>                                                      |            |                      |                      |                      |
| (a) Property, Plant and Equipment                                              | 5          | 1,341.73             | 1,431.81             | 1,510.63             |
| (b) Right-of-use assets                                                        | 6          | 422.92               | 441.58               | 460.23               |
| (c) Intangible assets                                                          | 6          | -                    | -                    | 1.51                 |
| (d) Financial Assets                                                           |            |                      |                      |                      |
| (i) Other financial assets                                                     | 7          | 49.97                | 146.35               | 45.69                |
| (e) Income Tax Asset (net)                                                     | 28         | 132.92               | 92.28                | 75.42                |
| <b>Total Non-current assets</b>                                                |            | <b>1,947.54</b>      | <b>2,112.02</b>      | <b>2,093.48</b>      |
| <b>Current assets</b>                                                          |            |                      |                      |                      |
| (a) Inventories                                                                | 9          | 6,358.40             | 5,897.91             | 4,831.39             |
| (b) Financial Assets                                                           |            |                      |                      |                      |
| (i) Trade receivables                                                          | 10         | 11,163.18            | 9,674.03             | 6,119.96             |
| (ii) Cash and cash equivalents                                                 | 11         | 7.33                 | 16.77                | 25.45                |
| (iii) Loans                                                                    | 12         | 2.39                 | 2.19                 | 3.57                 |
| (iv) Other financial assets                                                    | 7          | 171.59               | 2.09                 | 79.59                |
| (c) Other current assets                                                       | 8          | 1,745.10             | 845.43               | 811.50               |
| <b>Total Current assets</b>                                                    |            | <b>19,447.99</b>     | <b>16,438.42</b>     | <b>11,871.46</b>     |
| <b>Total Assets</b>                                                            |            | <b>21,395.53</b>     | <b>18,550.44</b>     | <b>13,964.94</b>     |
| <b>EQUITY AND LIABILITIES</b>                                                  |            |                      |                      |                      |
| <b>Equity</b>                                                                  |            |                      |                      |                      |
| (a) Equity share capital                                                       | 13         | 1,007.61             | 1,007.61             | 1,007.61             |
| (b) Other equity                                                               | 14         | 3,267.97             | 3,219.05             | 2,913.56             |
| <b>Total Equity</b>                                                            |            | <b>4,275.58</b>      | <b>4,226.66</b>      | <b>3,921.17</b>      |
| <b>Non-current liabilities</b>                                                 |            |                      |                      |                      |
| (a) Financial Liabilities                                                      |            |                      |                      |                      |
| (i) Borrowings                                                                 | 15         | 186.21               | 258.86               | 514.68               |
| (b) Deferred tax liabilities (net)                                             | 28         | 109.50               | 43.63                | 94.93                |
| (c) Provisions                                                                 | 16(b)      | 77.70                | 72.23                | 55.06                |
| <b>Total Non-current Liabilities</b>                                           |            | <b>373.41</b>        | <b>374.72</b>        | <b>664.67</b>        |
| <b>Current liabilities</b>                                                     |            |                      |                      |                      |
| (a) Financial Liabilities                                                      |            |                      |                      |                      |
| (i) Borrowings                                                                 | 15         | 6,899.52             | 5,385.85             | 4,561.68             |
| (ii) Trade payables                                                            | 17         |                      |                      |                      |
| (a) Total outstanding dues of micro and small enterprises                      |            | 9.18                 | 4.99                 | 1.11                 |
| (b) Total outstanding dues of creditors other than micro and small enterprises |            | 8,388.79             | 6,769.40             | 3,141.28             |
| (iii) Other financial liabilities                                              | 18         | 1,056.06             | 1,187.85             | 1,285.01             |
| (b) Other current liabilities                                                  | 19         | 359.60               | 439.05               | 194.20               |
| (c) Provisions                                                                 | 16(b)      | 5.16                 | 23.38                | 16.48                |
| (d) Current tax liabilities (net)                                              | 16(a) & 28 | 28.23                | 138.53               | 179.34               |
| <b>Total Current Liabilities</b>                                               |            | <b>16,746.54</b>     | <b>13,949.05</b>     | <b>9,379.10</b>      |
| <b>Total Equity and Liabilities</b>                                            |            | <b>21,395.53</b>     | <b>18,550.44</b>     | <b>13,964.94</b>     |

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

**For SHAH DHANDHARIA & CO LLP**

Chartered Accountants

(Firm Registration No. - 118707W/W100724)

**For and on behalf of the Board of Directors of**

**Globe Textiles (India) Limited**

**Karan Amlani**

Partner

(Membership No. - 193557)

**Bhavik Parikh**

Managing Director

DIN : 00038223

**Nilay Vora**

Director

DIN : 02158990

**Bhavin Parikh**

Chief Financial Officer

**Faruk Diwan**

Company Secretary

M No : 41911

Place : Ahmedabad

Date: June 30, 2021

Place : Ahmedabad

Date: June 30, 2021

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

**Statement of Profit and Loss for the year ended March 31, 2021**

**(Rs. in lakhs)**

| Particulars                                                                      | Notes | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|----------------------------------------------------------------------------------|-------|--------------------------------------|--------------------------------------|
| <b>I</b> Revenue from operations                                                 | 20    | 25,909.28                            | 26,516.81                            |
| <b>II</b> Other income                                                           | 21    | 450.42                               | 187.77                               |
| <b>III Total Income (I) + (II)</b>                                               |       | <b>26,359.70</b>                     | <b>26,704.58</b>                     |
| <b>IV Expenses:</b>                                                              |       |                                      |                                      |
| Cost of materials consumed                                                       | 22    | 14,929.25                            | 11,127.76                            |
| Purchase of Stock-in-Trade                                                       |       | 10,472.31                            | 13,010.79                            |
| Changes in stock of finished goods and stock-in-trade                            | 23    | (1,015.88)                           | (337.39)                             |
| Employee benefits expense                                                        | 24    | 615.27                               | 862.51                               |
| Finance costs                                                                    | 25    | 625.64                               | 669.08                               |
| Depreciation and amortization expense                                            | 26    | 124.42                               | 125.67                               |
| Other expenses                                                                   | 27    | 473.35                               | 847.36                               |
| <b>Total expenses (IV)</b>                                                       |       | <b>26,224.36</b>                     | <b>26,305.78</b>                     |
| <b>V Profit before tax (III) - (IV)</b>                                          |       | <b>135.34</b>                        | <b>398.80</b>                        |
| <b>VI Tax expense / (Benefit)</b>                                                | 28    |                                      |                                      |
| Income Tax Expense                                                               |       | 53.52                                | 138.77                               |
| Deferred tax                                                                     |       | 56.70                                | (49.68)                              |
| <b>Net tax expenses (VI)</b>                                                     |       | <b>110.22</b>                        | <b>89.09</b>                         |
| <b>VII Profit after tax for the year (V) - (VI)</b>                              |       | <b>25.12</b>                         | <b>309.71</b>                        |
| <b>VII Other Comprehensive Income (OCI)</b>                                      |       |                                      |                                      |
| (i) Items that will not be reclassified to profit or loss                        |       |                                      |                                      |
| (a) Remeasurement of the defined benefit plans                                   |       | 32.98                                | (5.84)                               |
| (b) Income tax relating to items that will not be reclassified to profit or loss |       | (9.18)                               | 1.62                                 |
| <b>Total Other Comprehensive Income/(Loss) (VIII)</b>                            |       | <b>23.80</b>                         | <b>(4.22)</b>                        |
| <b>IX Total Comprehensive Income for the year (VII+VIII)</b>                     |       | <b>48.92</b>                         | <b>305.49</b>                        |
| <b>X Earnings per equity share (Nominal value of share: Rs. 10)</b>              | 31    |                                      |                                      |
| - Basic                                                                          |       | 0.25                                 | 3.07                                 |
| - Diluted                                                                        |       | 0.25                                 | 3.07                                 |

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

**For SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
(Firm Registration No. - 118707W/W100724)

**For and on behalf of the Board of Directors of  
Globe Textiles (India) Limited**

**Karan Amlani**  
Partner  
(Membership No. - 193557)

**Bhavik Parikh**      **Nilay Vora**  
Managing Director      Director  
DIN : 00038223      DIN : 02158990

**Bhavin Parikh**      **Faruk Diwan**  
Chief Financial Officer      Company Secretary  
M No : 41911

Place : Ahmedabad  
Date: June 30, 2021

Place : Ahmedabad  
Date: June 30, 2021

**Globe Textiles (India) Limited**  
CIN : L65910GJ1995PLC027673

**Statement of Cash Flows for the year ended March 31, 2021**

(Rs. in lakhs)

| Particulars                                                                    | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>A Cash flow from operating activities</b>                                   |                                      |                                      |
| <b>Profit before tax</b>                                                       | <b>135.34</b>                        | <b>398.80</b>                        |
| <b>Adjustment for</b>                                                          |                                      |                                      |
| Less : Interest income                                                         | (7.95)                               | (3.26)                               |
| Less : Liabilities no longer required written back                             | (92.77)                              | (12.39)                              |
| Less : Profit on sale of Property, Plant and Equipment                         | -                                    | (12.75)                              |
| Add : Depreciation and amortization expense                                    | 124.42                               | 125.67                               |
| Add : Finance costs                                                            | 625.64                               | 669.08                               |
| Less : Mark To Market (Gain)/Loss on Forward Contracts                         | (123.40)                             | 166.34                               |
| Less : Unrealised foreign exchange gain                                        | (78.12)                              | (158.66)                             |
| <b>Operating Profit before working capital changes</b>                         | <b>583.16</b>                        | <b>1,172.82</b>                      |
| <b>Changes in working capital:</b>                                             |                                      |                                      |
| (Increase) / Decrease in Trade receivables                                     | (1,411.03)                           | (3,395.41)                           |
| (Increase) / Decrease in Other assets (current and non-current)                | (899.67)                             | (33.93)                              |
| (Increase) / Decrease in Other financial assets (current and non-current)      | 44.46                                | (0.66)                               |
| (Increase) / Decrease in Inventories                                           | (460.49)                             | (1,066.52)                           |
| Increase / (Decrease) in Trade payables                                        | 1,716.35                             | 3,644.00                             |
| Increase / (Decrease) in Other Current liabilities                             | (79.45)                              | 244.85                               |
| Increase / (Decrease) in Other financial liabilities (current and non-current) | (35.35)                              | (188.59)                             |
| Increase / (Decrease) in Provisions (Short-term and Long-term)                 | 20.23                                | 18.22                                |
| <b>Cash from / (Used in) Operations</b>                                        | <b>(521.79)</b>                      | <b>394.79</b>                        |
| (Less) : Direct Taxes Paid / (Received) - Net                                  | (204.47)                             | (196.43)                             |
| <b>Net cash generated from/(used in) operating activities (A)</b>              | <b>(726.26)</b>                      | <b>198.35</b>                        |
| <b>B Cash flow from investing activities</b>                                   |                                      |                                      |
| Purchase of Property, Plant and Equipment                                      | (15.68)                              | (69.68)                              |
| Proceeds from sale of Property, Plant and Equipment                            | -                                    | 55.74                                |
| Bank deposits / margin money withdrawn / (placed)                              | (76.00)                              | (100.00)                             |
| Interest received                                                              | 2.87                                 | 1.33                                 |
| <b>Net cash generated from/(used in) investing activities (B)</b>              | <b>(88.81)</b>                       | <b>(112.61)</b>                      |
| <b>C Cash flow from financing activities</b>                                   |                                      |                                      |
| Proceeds from Long-term Borrowings                                             | 200.00                               | -                                    |
| Repayment of Long-term Borrowings                                              | (272.65)                             | (255.82)                             |
| Proceeds from Short-term Borrowings                                            | 3,877.83                             | 5,060.03                             |
| Repayment of Short-term Borrowings                                             | (2,364.16)                           | (4,235.86)                           |
| Proceeds from Loans (given)/ received back                                     | (0.20)                               | 1.38                                 |
| Finance Costs paid                                                             | (635.18)                             | (664.16)                             |
| <b>Net cash generated from/(used in) financing activities (C)</b>              | <b>805.64</b>                        | <b>(94.43)</b>                       |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                       | <b>(9.44)</b>                        | <b>(8.68)</b>                        |
| Cash and cash equivalents at the beginning of the year                         | 16.77                                | 25.45                                |
| <b>Cash and cash equivalents at the end of the year</b>                        | <b>7.33</b>                          | <b>16.77</b>                         |
| <b>Cash and cash equivalents comprises of:</b>                                 |                                      |                                      |
| Cash on hand                                                                   | 4.47                                 | 12.25                                |
| Balances with banks                                                            |                                      |                                      |
| In current accounts                                                            | 2.86                                 | 4.52                                 |
| <b>Total cash and cash equivalents (Refer Note 11)</b>                         | <b>7.33</b>                          | <b>16.77</b>                         |

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

**Statement of Cash Flows for the year ended March 31, 2021**

**Notes:**

1. The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

2. Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities is as below:

| Particulars                                                              | Long-term borrowing* | Short-term borrowing |
|--------------------------------------------------------------------------|----------------------|----------------------|
| <b>Balance as at April 01, 2020</b>                                      | <b>504.45</b>        | <b>5,385.85</b>      |
| Add: Proceeds                                                            | 200.00               | 3,877.83             |
| Less: Repayments                                                         | (272.65)             | (2,364.16)           |
| Add/(Less): Adjustment due to current maturities of Long Term borrowings | 83.47                | -                    |
| <b>Balance as at March 31, 2021</b>                                      | <b>515.26</b>        | <b>6,899.52</b>      |

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

**For SHAH DHANDHARIA & CO LLP**

Chartered Accountants

(Firm Registration No. - 118707W/W100724)

**For and on behalf of the Board of Directors of**

**Globe Textiles (India) Limited**

**Karan Amlani**

Partner

(Membership No. - 193557)

**Bhavik Parikh**

Managing Director

DIN : 00038223

**Nilay Vora**

Director

DIN : 02158990

**Bhavin Parikh**

Chief Financial Officer

**Faruk Diwan**

Company Secretary

M No : 41911

Place : Ahmedabad

Date: June 30, 2021

Place : Ahmedabad

Date: June 30, 2021

**Globe Textiles (India) Limited**  
CIN : L65910GJ1995PLC027673

**Statement of Changes in Equity for the year ended March 31, 2021**

(Rs. in lakhs)

**A. Equity share capital - Refer Note 13**

| Particulars                          | Amount          |
|--------------------------------------|-----------------|
| <b>Balance as at April 01, 2019</b>  | <b>1,007.61</b> |
| Add: Issue of shares during the year | -               |
| <b>Balance as at March 31, 2020</b>  | <b>1,007.61</b> |
| Add: Issue of shares during the year | -               |
| <b>Balance as at March 31, 2021</b>  | <b>1,007.61</b> |

**B. Statement of changes in other equity - Refer Note 14**

| Particulars                                                 | Reserves and Surplus |                   | Total           |
|-------------------------------------------------------------|----------------------|-------------------|-----------------|
|                                                             | Securities Premium   | Retained Earnings |                 |
| <b>Balance as at beginning of the year - April 01, 2019</b> | <b>862.53</b>        | <b>2,051.03</b>   | <b>2,913.56</b> |
| Add: Net Profit for the year                                | -                    | 309.71            | 309.71          |
| Add/(Less): Other comprehensive income/(loss)               | -                    | (4.22)            | (4.22)          |
| <b>Total Comprehensive income/(loss) for the year</b>       | -                    | <b>305.49</b>     | <b>305.49</b>   |
| <b>Balance as at end of the year - March 31, 2020</b>       | <b>862.53</b>        | <b>2,356.52</b>   | <b>3,219.05</b> |
| Add: Net Profit for the year                                | -                    | 25.12             | 25.12           |
| Add/(Less): Other comprehensive income/(loss)               | -                    | 23.80             | 23.80           |
| <b>Total Comprehensive income/(loss) for the year</b>       | -                    | <b>48.92</b>      | <b>48.92</b>    |
| <b>Balance as at end of the year - March 31, 2021</b>       | <b>862.53</b>        | <b>2,405.44</b>   | <b>3,267.97</b> |

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

**For SHAH DHANDHARIA & CO LLP**

Chartered Accountants

(Firm Registration No. - 118707W/W100724)

**For and on behalf of the Board of Directors of**

**Globe Textiles (India) Limited**

**Karan Amlani**

Partner

(Membership No. - 193557)

**Bhavik Parikh**

Managing Director

DIN : 00038223

**Nilay Vora**

Director

DIN : 02158990

**Bhavin Parikh**

Chief Financial Officer

**Faruk Diwan**

Company Secretary

M No : 41911

Place : Ahmedabad

Date: June 30, 2021

Place : Ahmedabad

Date: June 30, 2021

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

**Notes to the financial statements for the year ended March 31, 2021**

**1 Corporate information**

Globe Textiles (India) Limited originally incorporated as a Private Limited Company under the provisions of the erstwhile Companies Act, 1956 (now Companies Act, 2013) and is domiciled in India. The Company is based in Ahmedabad and is primarily involved in trading and manufacturing of textile products.

The financial statements of the Company for the year ended March 31, 2021 have been considered and approved by the Board of Directors at their meeting held on June 30, 2021.

**2 Basis of preparation and Presentation:**

**A Statement of Compliance:**

The financial statements of the Company have been prepared in accordance with and to comply in all material aspects with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and the relevant provisions of the Act, as applicable.

These financial statements for the year ended March 31, 2021 are the first financial statements of the Company prepared under Ind AS. For all periods upto and including the year ended March 31, 2020, the Company had prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2006 ('Previous GAAP' or 'IGAAP'). The financial statements for the year ended March 31, 2020 and the opening Balance Sheet as at April 1, 2019 have been restated in accordance with Ind AS for comparative information. In accordance with Ind AS 101 First time adoption of Ind AS, unless otherwise stated a description of the transition from Previous IGAAP to Ind AS and its impact on the Company's financial position, financial performance and cash flows is given in Note 4.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 2E.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of financial statements' and Division II of Schedule III of the Act.

**B Basis of Measurement**

The financial statements have been prepared on accrual and going concern basis under the historical cost convention except for certain class of financial assets/ liabilities, and net liability for defined benefit plans that are measured at fair value. The accounting policies have been consistently applied by the Company unless otherwise stated.

**C Functional and Presentation Currency**

The financial statements have been prepared and presented in Indian Rupees (INR), which is also the Company's functional currency.

**D Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs unless otherwise stated.

**Globe Textiles (India) Limited****CIN : L65910GJ1995PLC027673****Notes to the financial statements for the year ended March 31, 2021****E Key accounting estimates and judgement:**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

**(i) Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets :-**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**(ii) Measurement of defined benefit obligations**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 3H.

**(iii) Recognition and measurement of provisions and contingencies**

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision. Refer Note 3J.

**(iv) Recognition of deferred tax assets/liabilities**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and future recoverability of deferred tax assets. Refer Note 3I.

**(v) Impairment of financial assets**

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

**Notes to the financial statements for the year ended March 31, 2021**

**(vi) Fair Value Measurement**

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable.

**F Current/non-current classification:**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any one of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in entity's normal operating cycle,
- it is held primarily for the purpose of being traded,
- it is expected to be realised within twelve months after the balance sheet, or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any one of the following criteria:

- it is expected to be settled in the entity's normal operating cycle,
- it is held primarily for the purpose of being traded,
- it is due to be settled within twelve months after the balance sheet date, or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

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

**G Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on this, the Company has ascertained 12 months as its operating cycle and hence 12 months has been considered for the purpose of current to non-current classification of assets and liabilities.

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

**Notes to the financial statements for the year ended March 31, 2021**

**3 Summary of Significant Accounting Policies**

**A Property, Plant and Equipment**

Items of property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost is inclusive of freight, duties, taxes or levies (net of recoverable taxes) and any directly attributable cost of bringing the assets to their working condition for intended use.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as “Capital work-in-progress”.

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising between sale proceeds and carrying value on derecognition is recognised in the Statement of Profit and Loss.

On transition to Ind AS, as per Ind AS 101, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the IGAAP as at March 31, 2019 as its deemed cost on the date of transition.

Depreciable amount for assets is the cost of an assets less its estimated residual value. Based on management's evaluation, useful life prescribed in Schedule II of the Act represent actual useful life of Property, Plant and Equipment. Accordingly, the Company has used useful lives as mentioned in Schedule II of the Companies Act 2013 to provide depreciation of different class of its Property, Plant and Equipment. The Company provides depreciation on straight line method as per the useful life mentioned in Schedule II of the Act. Any change in estimate is accounted on prospective basis.

Depreciation on addition is being provided on pro rata basis from the date of such additions. Depreciation on asset sold, discarded, disabled or demolished during the year is being provided up to the date in which such assets are sold, discarded, disabled or demolished.

**B Intangibles assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, as per Ind AS 101, the Company has elected to continue with the carrying value of all of its Intangible Assets measured as per the IGAAP as at March 31, 2019 as its deemed cost on the date of transition.

The estimated useful lives of intangible assets are as follows :

| <b>Class of assets</b> | <b>Useful Life (in years)</b> |
|------------------------|-------------------------------|
| Software               | 5 years                       |

**Notes to the financial statements for the year ended March 31, 2021**

**C Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets, other than inventories and deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of such asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset/cash generating unit no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset/cash generating unit in earlier years. Reversal of impairment loss is directly recognised in the statement of Profit and Loss.

**D Borrowing Costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**E Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial instruments at initial recognition.

**(1) Initial Recognition and Measurements**

A financial asset and financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

Where the fair value of a financial asset or financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial assets or financial liability.

Trade receivables that do not contain a significant financing component are measured at transaction price.

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

**Notes to the financial statements for the year ended March 31, 2021**

**(2) Subsequent Measurements**

**(a) Financial Assets**

For purposes of subsequent measurement, financial assets are classified based on assessment of business model in which they are held. This assessment is done for portfolio of the financial assets. The relevant categories are as below:

**(i) At amortised cost:**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) At fair value through Other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) At fair value through profit and loss (FVTPL)**

Financial assets which are not measured at amortised cost or OCI and are held for trading are measured at FVTPL. Fair value changes related to such financial assets are recognised in the Statement of Profit and Loss.

Based on the Company's business model, the Company has classified its securities held for trade and Investment in Mutual Funds at FVTPL.

**(iv) Impairment of Financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**(v) Derecognition of Financial Assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

**Notes to the financial statements for the year ended March 31, 2021**

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

**(b) Financial Liabilities**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method or at FVTPL.

**(i) At amortised cost:**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

**(ii) At Fair Value through Profit and Loss:**

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management.

Fair value changes related to such financial liabilities are recognised in the Statement of Profit and Loss.

**(iii) Derecognition of Financial Liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**(iv) Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**(3) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

**Globe Textiles (India) Limited**  
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**Notes to the financial statements for the year ended March 31, 2021**

**(4) Derivative Financial Instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately.

**F Foreign currency transactions**

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognised in the Statement of Profit and Loss.

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**G Revenue Recognition**

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

**Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5:** Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the services are transferred to the customer which can be either at a point in time or over time, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Revenue recognized are exclusive of goods and service tax.

The Company recognises revenue from the following major sources:

- (i) Sale to domestic customers: Major sale to the domestic customers are made on ex-factory basis and revenue is recognised when the goods are dispatched from the factory gates.
- (ii) Sales outside India: In case of export sales, revenue is recognised on shipment date, when performance obligation is met.

**Globe Textiles (India) Limited**  
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**Notes to the financial statements for the year ended March 31, 2021**

(iii) Job Work: Revenue is recognised once job work is completed for each specific work order.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance or unearned revenue).

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

**Export Incentive**

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**Interest Income**

Interest income on financial assets is recognised using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument.

**Dividend Income**

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

**H Employees Benefit**

Employee benefits include short term employee benefits, provident fund, employee's state insurance, gratuity and compensated absences.

**Short term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**Defined Contribution Plan**

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company does not carry any further obligations, apart from the contributions made on a monthly basis.

**Defined Benefit Plan**

The Company provides for the gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment, and is unfunded. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Remeasurements of the net defined benefit liability comprising actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

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**Notes to the financial statements for the year ended March 31, 2021**

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

**Long-term employee benefits**

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits and is unfunded. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**I Current and deferred tax**

Tax on Income comprises current and deferred tax..

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the reporting period in accordance with the Income-tax Act, 1961 enacted in India and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities in financial statements and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantially enacted as on reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is also recognised in respect of carried forward tax losses and tax credits subject to the assessment of reasonable certainty of recovery. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside with the underlying items i.e. either in the statement of other comprehensive income or directly in equity as relevant.

**J Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

## **Notes to the financial statements for the year ended March 31, 2021**

### **K Leases: Right-of-use assets and Lease liabilities**

#### **i) Leases**

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

#### **ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### **iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **The Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### **L Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents for the purpose of Statement of Cash Flow comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

### **M Earning per share**

Basic earnings per share is computed by dividing the profit / (loss) for the period attributable to equity share holder by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the period attributable to Equity Share holders and the weighted average number of shares outstanding during the year are adjusted for effects of all dilutive potential equity shares.

## Globe Textiles (India) Limited

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### Notes to the financial statements for the year ended March 31, 2021

#### **N Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related cost for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

#### **O Dividend on Ordinary Shares**

The Company recognizes a liability to make cash to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

#### **P Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108 - Operating Segments, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

#### **Q Cash flow statement**

Cash flows are reported using the indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated based upon the available information.

#### **R Amended standards adopted by the Company**

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after April 01, 2020.

##### **Amendments to Ind AS 116 - Covid-19 Related Rent Concessions**

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**Globe Textiles (India) Limited****CIN : L65910GJ1995PLC027673****Notes to the financial statements for the year ended March 31, 2021****Amendments to Ind AS 103****Definition of a business**

The Company has adopted the amendments to Ind AS 103 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 April 2020.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

**Amendments to Ind AS 1 and Ind AS 8 - Definition of "material"**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these

**Amendments to Ind AS 109 and 107 - Interest Rate Benchmark Reform**

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The adoption of the amendments has not had any impact on the disclosures or on the amounts reported in these financial statements.

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**Notes to the financial statements for the year ended March 31, 2021**

**(Rs. in lakhs)**

**4 First-time adoption of Ind AS – mandatory exceptions, optional exemptions:**

The Company has voluntarily adopted Ind AS w.e.f April 1, 2020 with a transition date of April 1, 2019. Accordingly, the financial statements for the year ended March 31, 2021 together with the comparative information for the year ended March 31, 2020 and opening Ind AS balance sheet as at April 1, 2019 have been prepared in accordance with accounting policies as set out in Note 2B - Significant accounting policies.

The Company has prepared its opening Ind AS balance sheet as at April 1, 2019 by recognising assets and liabilities whose recognition is required by Ind AS, derecognising assets and liabilities which are not permitted by Ind AS, reclassifying assets and liabilities as required by Ind AS, and applying Ind AS measurement principles, subject to certain optional exemptions and mandatory exceptions. The resulting difference between the carrying values of the assets and liabilities as at the transition date under Ind AS and IGAAP have been adjusted directly against "Other Equity".

This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the Balance Sheet as at April 1, 2019 and the previously published IGAAP financial statements as at and for the year ended March 31, 2020.

**A Exemptions and Exceptions applied**

Ind AS 101 First-time Adoption of Indian Accounting Standards allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**(I) Ind AS optional exemptions**

**1 Property, Plant and Equipment and Intangible Assets**

Ind AS 101, provides the option to continue with the carrying value of Property, Plant and Equipment and Intangible Assets as recognised in the IGAAP. The Company has elected to continue with the carrying value for all of its Property, Plant and Equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition.

**2 Leases**

Ind AS 101, requires to apply Ind AS 116, Leases whether a contract or arrangement existing at the date of transition contains a lease on the basis of facts and circumstances existing at the date of transition rather than at the inception of the arrangement. Right of Use of Assets on transition date comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

**(II) Ind AS mandatory exceptions**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101.

**1 Estimates**

The Company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2019, the date of transition to Ind AS and as of March 31, 2020.

**2 Classification and measurement of financial assets**

Ind AS 101 requires the Company to assess classification and measurement of financial assets (including debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**3 De-recognition of financial assets and liabilities**

The Company has elected to apply the de-recognition provisions of Ind AS 109, Financial Instruments, prospectively from the date of transition to Ind

**B Transition to Ind AS - Reconciliations**

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- B1 Reconciliation of Total Equity as previously reported under IGAAP to Ind AS as at April 1, 2019 and March 31, 2020
- B2 Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS for the year ended March 31, 2020
- B3 Adjustments to Statement of Cash Flows as previously reported under IGAAP to Ind AS for the year ended March 31, 2020

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**Notes to the financial statements for the year ended March 31, 2021**

(Rs. in lakhs)

**B1 Reconciliation of balance sheet as previously reported under Previous GAAP to Ind AS**

| Particulars                                                                | Notes to First time Adoption | As at March 31, 2020 |                                |                  | As at April 01, 2019 |                                |                  |
|----------------------------------------------------------------------------|------------------------------|----------------------|--------------------------------|------------------|----------------------|--------------------------------|------------------|
|                                                                            |                              | IGAAP                | Effect of transition to Ind-AS | Ind AS           | IGAAP                | Effect of transition to Ind-AS | Ind AS           |
| <b>ASSETS</b>                                                              |                              |                      |                                |                  |                      |                                |                  |
| <b>(1) Non-Current Assets</b>                                              |                              |                      |                                |                  |                      |                                |                  |
| (a) Property, Plant and Equipment                                          | (III)                        | 1,431.81             | -                              | <b>1,431.81</b>  | 1,510.63             | -                              | 1,510.63         |
| (b) Right-of -Use-of-Assets                                                |                              | 460.23               | (18.65)                        | <b>441.58</b>    | 460.23               | -                              | 460.23           |
| (c) Intangible Assets                                                      |                              | -                    | -                              | -                | 1.51                 | -                              | 1.51             |
| (d) Financial Assets                                                       |                              |                      |                                |                  |                      |                                |                  |
| (i) Other financial assets                                                 |                              | 146.35               | -                              | <b>146.35</b>    | 45.69                | -                              | 45.69            |
| (e) Income-Tax Asset (net)                                                 |                              | 92.28                | -                              | <b>92.28</b>     | 75.42                | -                              | 75.42            |
| <b>Total Non - Current Assets</b>                                          |                              | <b>2,130.67</b>      | <b>(18.65)</b>                 | <b>2,112.02</b>  | <b>2,093.48</b>      | -                              | <b>2,093.48</b>  |
| <b>(2) Current Assets</b>                                                  |                              |                      |                                |                  |                      |                                |                  |
| (a) Inventories                                                            | (II)                         | 5,897.91             | -                              | <b>5,897.91</b>  | 4,831.39             | -                              | 4,831.39         |
| (b) Financial Assets                                                       |                              |                      |                                |                  |                      |                                |                  |
| (i) Trade receivables                                                      |                              | 9,674.03             | -                              | <b>9,674.03</b>  | 6,119.96             | -                              | 6,119.96         |
| (ii) Cash and cash equivalents                                             |                              | 16.77                | -                              | <b>16.77</b>     | 25.45                | -                              | 25.45            |
| (iv) Other Financial Assets                                                |                              | 2.09                 | -                              | <b>2.09</b>      | 0.16                 | 79.43                          | 79.59            |
| (d) Other current assets                                                   |                              | 847.62               | -                              | <b>847.62</b>    | 815.07               | -                              | 815.07           |
| <b>Total Current Assets</b>                                                |                              | <b>16,438.43</b>     | -                              | <b>16,438.42</b> | <b>11,792.02</b>     | <b>79.43</b>                   | <b>11,871.46</b> |
| <b>Total Assets</b>                                                        |                              | <b>18,569.10</b>     | <b>(18.65)</b>                 | <b>18,550.44</b> | <b>13,885.51</b>     | <b>79.43</b>                   | <b>13,964.94</b> |
| <b>EQUITY AND LIABILITIES</b>                                              |                              |                      |                                |                  |                      |                                |                  |
| <b>EQUITY</b>                                                              |                              |                      |                                |                  |                      |                                |                  |
| (a) Share capital                                                          |                              | 1,007.61             | -                              | <b>1,007.61</b>  | 1,007.61             | -                              | 1,007.61         |
| (b) Other equity                                                           |                              | 3,300.44             | (81.38)                        | <b>3,219.05</b>  | 2,856.22             | 57.34                          | 2,913.56         |
| <b>Total Equity</b>                                                        |                              | <b>4,308.05</b>      | <b>(81.38)</b>                 | <b>4,226.66</b>  | <b>3,863.83</b>      | <b>57.34</b>                   | <b>3,921.17</b>  |
| <b>LIABILITIES</b>                                                         |                              |                      |                                |                  |                      |                                |                  |
| <b>(1) Non-Current Liabilities</b>                                         |                              |                      |                                |                  |                      |                                |                  |
| (a) Financial Liabilities                                                  | (IV)                         |                      |                                |                  |                      |                                |                  |
| (i) Long-term Borrowings                                                   |                              | 258.86               | -                              | <b>258.86</b>    | 514.68               | -                              | 514.68           |
| (b) Deferred tax liabilities (net)                                         |                              | 67.80                | (24.18)                        | <b>43.63</b>     | 72.83                | 22.10                          | 94.93            |
| (b) Long Term Provisions                                                   |                              | 72.23                | -                              | <b>72.23</b>     | 55.06                | -                              | 55.06            |
| <b>Total Non - Current Liabilities</b>                                     |                              | <b>398.90</b>        | <b>(24.18)</b>                 | <b>374.72</b>    | <b>642.57</b>        | <b>22.10</b>                   | <b>664.67</b>    |
| <b>(2) Current Liabilities</b>                                             |                              |                      |                                |                  |                      |                                |                  |
| (a) Financial Liabilities                                                  | (II)                         |                      |                                |                  |                      |                                |                  |
| (i) Short-term Borrowings                                                  |                              | 5,385.85             | -                              | <b>5,385.85</b>  | 4,561.68             | -                              | 4,561.68         |
| (ii) Trade Payables                                                        |                              |                      |                                |                  |                      |                                |                  |
| Total outstanding dues of micro and small enterprises                      |                              | 4.99                 | -                              | <b>4.99</b>      | 1.11                 | -                              | 1.11             |
| Total outstanding dues of creditors other than micro and small enterprises |                              | 6,769.40             | -                              | <b>6,769.40</b>  | 3,141.28             | -                              | 3,141.28         |
| (ii) Other Financial Liabilities                                           |                              | 1,100.95             | 86.91                          | <b>1,187.85</b>  | 1,285.01             | -                              | 1,285.01         |
| (b) Other Current Liabilities                                              |                              | 439.05               | -                              | <b>439.05</b>    | 194.20               | -                              | 194.20           |
| (c) Short Term Provisions including current tax liabilities                |                              | 161.91               | -                              | <b>161.91</b>    | 195.82               | -                              | 195.82           |
| <b>Total Current Liabilities</b>                                           |                              | <b>13,862.15</b>     | <b>86.91</b>                   | <b>13,949.05</b> | <b>9,379.10</b>      | -                              | <b>9,379.10</b>  |
| <b>Total Equity and Liabilities</b>                                        |                              | <b>18,569.10</b>     | <b>(18.65)</b>                 | <b>18,550.44</b> | <b>13,885.51</b>     | <b>79.43</b>                   | <b>13,964.94</b> |

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**Notes to the financial statements for the year ended March 31, 2021**

(Rs. in lakhs)

**4 First-time adoption of Ind AS – mandatory exceptions, optional exemptions: (contd..)**

**B2 Reconciliation of Consolidated Statement of Profit and Loss as previously reported under Previous GAAP to Ind AS**

| Particulars                                                                       | Notes | For the year ended March 31, 2020 |                                |                  |
|-----------------------------------------------------------------------------------|-------|-----------------------------------|--------------------------------|------------------|
|                                                                                   |       | IGAAP                             | Effect of transition to Ind AS | Ind AS           |
| <b>I. INCOME</b>                                                                  |       |                                   |                                |                  |
| (a) Revenue from operations                                                       |       | 26,516.81                         | -                              | 26,516.81        |
| (b) Other Income                                                                  |       | 187.77                            | -                              | 187.77           |
| <b>Total Income</b>                                                               |       | <b>26,704.58</b>                  | <b>-</b>                       | <b>26,704.58</b> |
| <b>II. EXPENSES</b>                                                               |       |                                   |                                |                  |
| (a) Cost of materials consumed                                                    |       | 11,127.76                         | -                              | 11,127.76        |
| (b) Purchase of Stock-in-Trade                                                    |       | 13,010.79                         | -                              | 13,010.79        |
| (c) Changes in stock of finished goods and stock-in-trade                         |       | (337.39)                          | -                              | (337.39)         |
| (d) Employee benefits expense                                                     | (I)   | 868.35                            | (5.84)                         | 862.51           |
| (e) Finance costs                                                                 |       | 669.08                            | -                              | 669.08           |
| (f) Depreciation and amortization expense                                         | (III) | 107.02                            | 18.65                          | 125.67           |
| (g) Other expenses                                                                | (II)  | 681.03                            | 166.34                         | 847.36           |
| <b>Total Expenses</b>                                                             |       | <b>26,126.63</b>                  | <b>179.15</b>                  | <b>26,305.78</b> |
| <b>III. Profit before tax (I) - (II)</b>                                          |       | <b>577.95</b>                     | <b>(179.15)</b>                | <b>398.80</b>    |
| <b>IV. Tax Expense</b>                                                            |       |                                   |                                |                  |
| (a) Current tax                                                                   |       | 138.77                            | -                              | 138.77           |
| (b) Deferred tax                                                                  | (IV)  | (5.02)                            | (44.65)                        | (49.68)          |
| <b>Total tax expense / (benefit)</b>                                              |       | <b>133.75</b>                     | <b>(44.65)</b>                 | <b>89.09</b>     |
| <b>V. Profit after tax for the period (III) - (IV)</b>                            |       | <b>444.21</b>                     | <b>(134.50)</b>                | <b>309.70</b>    |
| <b>VI. Other comprehensive income</b>                                             | (V)   |                                   |                                |                  |
| (i) Items that will not be reclassified to profit or loss                         |       |                                   |                                |                  |
| (a) Remeasurement of the defined benefit liabilities                              | (I)   | -                                 | (5.84)                         | (5.84)           |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | (IV)  | -                                 | 1.62                           | 1.62             |
| <b>VII. Total comprehensive income for the period</b>                             |       | <b>444.21</b>                     | <b>(138.72)</b>                | <b>305.49</b>    |

**Footnotes to the reconciliation between previous GAAP and Ind AS:**

**(I) Employee Benefits:**

Under the previous GAAP, actuarial gains and losses on defined benefit liabilities were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability which is recognised in other comprehensive income.

**(II) Derivative Financial Instruments:**

Under the previous GAAP, only fair value loss on derivative financial instrument was recognised. Under Ind AS, derivative financial instruments (which are not designated in a hedge relationship) are fair value and resultant gain or loss is recognised in the statement of profit and loss.

**(III) Leases - Right of Use Assets:**

Under the previous GAAP, lease liabilities were recognised for finance leases and lease payments for operating leases were recognised on straight line basis over a period of lease term into Statement of Profit and Loss. Under Ind AS, the present value of the lease payments (other than small period and low value contracts) are recognised as lease liabilities and Right of Use Asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on transition date. The above calculated amount is cumulative of Depreciation on right of use asset, finance cost and reversal of lease rent expenses.

**(IV) Deferred Tax:**

The impact of transition adjustments for computation of deferred tax has resulted in change to the Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss/Other Comprehensive Income, as the case may be for the subsequent periods.

**(V) Other comprehensive income:**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in the Statement of profit and loss as "other comprehensive income" includes re-measurement of defined benefit plans net of taxes. The concept of other comprehensive income did not exist under previous GAAP.

**B3 Effects of Ind AS adoption on the Statement of cash flows for the year ended March 31, 2020**

The impact of transition from previous GAAP to Ind AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of Profit and Loss.

Notes to the financial statements for the year ended March 31, 2021

(Rs. in lakhs)

5 Property, Plant and Equipment

| Particulars                                    | Building      | Plant and Machinery | Office Equipment | Furniture and Fixtures | Computer Equipment | Vehicles      | Total           |
|------------------------------------------------|---------------|---------------------|------------------|------------------------|--------------------|---------------|-----------------|
| <b>Gross Block (at deemed cost)</b>            |               |                     |                  |                        |                    |               |                 |
| <b>As at April 01, 2019</b>                    | <b>700.23</b> | <b>95.20.33</b>     | <b>36.82</b>     | <b>54.42</b>           | <b>26.16</b>       | <b>115.15</b> | <b>1,853.11</b> |
| Additions during the year                      | -             | 63.36               | 2.14             | 1.01                   | 3.17               | -             | 69.68           |
| Disposals/ Adjustments                         | -             | 51.89               | 0.51             | -                      | -                  | -             | 52.40           |
| <b>As at March 31, 2020</b>                    | <b>700.23</b> | <b>931.80</b>       | <b>38.45</b>     | <b>55.43</b>           | <b>29.33</b>       | <b>115.15</b> | <b>1,870.39</b> |
| <b>As at April 01, 2020</b>                    | <b>700.23</b> | <b>931.80</b>       | <b>38.45</b>     | <b>55.43</b>           | <b>29.33</b>       | <b>115.15</b> | <b>1,870.39</b> |
| Additions during the year                      | -             | 13.88               | 0.60             | -                      | 1.22               | -             | 15.70           |
| Disposals/ Adjustments                         | -             | -                   | -                | -                      | -                  | -             | -               |
| <b>As at March 31, 2021</b>                    | <b>700.23</b> | <b>945.68</b>       | <b>39.05</b>     | <b>55.43</b>           | <b>30.55</b>       | <b>115.15</b> | <b>1,886.09</b> |
| <b>Accumulated Depreciation</b>                |               |                     |                  |                        |                    |               |                 |
| <b>As at April 01, 2019</b>                    | <b>78.18</b>  | <b>159.55</b>       | <b>23.00</b>     | <b>17.92</b>           | <b>20.89</b>       | <b>42.94</b>  | <b>342.48</b>   |
| Additions during the year                      | 22.21         | 57.59               | 6.16             | 5.28                   | 2.14               | 12.13         | 105.51          |
| Disposals/ Adjustments                         | -             | 9.40                | 0.01             | -                      | -                  | -             | 9.41            |
| <b>As at March 31, 2020</b>                    | <b>100.39</b> | <b>207.74</b>       | <b>29.15</b>     | <b>23.20</b>           | <b>23.03</b>       | <b>55.07</b>  | <b>438.58</b>   |
| <b>As at April 01, 2020</b>                    | <b>100.39</b> | <b>207.74</b>       | <b>29.15</b>     | <b>23.20</b>           | <b>23.03</b>       | <b>55.07</b>  | <b>438.58</b>   |
| Additions during the year                      | 22.15         | 59.55               | 3.46             | 5.27                   | 2.41               | 12.93         | 105.77          |
| Disposals/ Adjustments                         | -             | -                   | -                | -                      | -                  | -             | -               |
| <b>As at March 31, 2021</b>                    | <b>122.54</b> | <b>267.29</b>       | <b>32.62</b>     | <b>28.48</b>           | <b>25.44</b>       | <b>68.01</b>  | <b>544.35</b>   |
| <b>Net Carrying Value as at March 31, 2021</b> | <b>577.69</b> | <b>678.39</b>       | <b>6.43</b>      | <b>26.95</b>           | <b>5.12</b>        | <b>47.14</b>  | <b>1,341.73</b> |
| <b>Net Carrying Value as at March 31, 2020</b> | <b>599.84</b> | <b>724.05</b>       | <b>9.30</b>      | <b>32.23</b>           | <b>6.31</b>        | <b>60.08</b>  | <b>1,431.81</b> |

(a) Property, Plant and Equipment given as security for various borrowing facilities availed from lenders, refer Note 14.

Notes to the financial statements for the year ended March 31, 2021

6 Right-of-use assets and Intangible Assets

| Particulars                                    | Right-of-use assets |               | Intangible Assets |              |
|------------------------------------------------|---------------------|---------------|-------------------|--------------|
|                                                | Leasehold Land      | Total         | Computer          | Total        |
| <b>Gross Block</b>                             |                     |               |                   |              |
| <b>As at April 01, 2019</b>                    | <b>460.23</b>       | <b>460.23</b> | <b>13.07</b>      | <b>13.07</b> |
| Additions during the year                      | -                   | -             | -                 | -            |
| Disposals/ Adjustments                         | -                   | -             | -                 | -            |
| <b>As at March 31, 2020</b>                    | <b>460.23</b>       | <b>460.23</b> | <b>13.07</b>      | <b>13.07</b> |
| <b>As at April 01, 2020</b>                    | <b>460.23</b>       | <b>460.23</b> | <b>13.07</b>      | <b>13.07</b> |
| Additions during the year                      | -                   | -             | -                 | -            |
| Disposals/ Adjustments                         | -                   | -             | -                 | -            |
| <b>As at March 31, 2021</b>                    | <b>460.23</b>       | <b>460.23</b> | <b>13.07</b>      | <b>13.07</b> |
| <b>Accumulated Depreciation</b>                |                     |               |                   |              |
| <b>As at April 01, 2019</b>                    | -                   | -             | <b>11.56</b>      | <b>11.56</b> |
| Additions during the year                      | 18.65               | 18.65         | 1.51              | 1.51         |
| Disposals/ Adjustments                         | -                   | -             | -                 | -            |
| <b>As at March 31, 2020</b>                    | <b>18.65</b>        | <b>18.65</b>  | <b>13.07</b>      | <b>13.07</b> |
| <b>As at April 01, 2020</b>                    | <b>18.65</b>        | <b>18.65</b>  | <b>13.07</b>      | <b>13.07</b> |
| Additions during the year                      | 18.65               | 18.65         | -                 | -            |
| Disposals/ Adjustments                         | -                   | -             | -                 | -            |
| <b>As at March 31, 2021</b>                    | <b>37.31</b>        | <b>37.31</b>  | <b>13.07</b>      | <b>13.07</b> |
| <b>Net Carrying Value as at March 31, 2021</b> | <b>422.92</b>       | <b>422.92</b> | -                 | -            |
| <b>Net Carrying Value as at March 31, 2020</b> | <b>441.58</b>       | <b>441.58</b> | -                 | -            |

Notes to the financial statements for the year ended March 31, 2021

(Rs. in lakhs)

| 7   | Other financial assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|     | (measured at amortised cost except for Derivative Assets which is measured at Fair value through profit or loss)                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                      |                      |
|     | (Unsecured, considered good unless otherwise stated)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                      |                      |
|     | <b>Non-Current</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      |                      |                      |
|     | Security deposit given                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 49.97                | 45.69                | 45.69                |
|     | Deposits held as Margin Money (Refer Note (a))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                    | 100.00               | -                    |
|     | Interest accrued but not due on deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -                    | 0.66                 | -                    |
|     | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>49.97</b>         | <b>146.35</b>        | <b>45.69</b>         |
|     | <b>Current</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                      |
|     | Derivative Assets - Foreign exchange forward contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 36.50                | -                    | 79.43                |
|     | Deposits held as Margin Money (Refer Note (a))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 127.92               | -                    | -                    |
|     | Interest accrued but not due on deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 7.17                 | 2.09                 | 0.16                 |
|     | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>171.59</b>        | <b>2.09</b>          | <b>79.59</b>         |
| (a) | Deposits are under lien as security for borrowing facilities given by lenders, refer Note 12.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |                      |                      |
| 8   | Other Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|     | <b>Current</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                      |
|     | Advances to suppliers (Refer Note (a))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 616.60               | 216.92               | 303.82               |
|     | Advances to employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 15.65                | -                    | -                    |
|     | Subsidy receivable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 121.25               | 70.88                | 70.88                |
|     | Export Benefit Receivable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 356.09               | -                    | -                    |
|     | Balances with government authorities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 593.35               | 547.50               | 426.94               |
|     | Prepaid expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 42.16                | 10.13                | 9.86                 |
|     | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1,745.10</b>      | <b>845.43</b>        | <b>811.50</b>        |
| (a) | There are no advances due from directors or other officers of the Company either severally or jointly with any other person. Advances to suppliers include firms or private companies in which any director is a partner, member or director of Rs 1.10 Lakhs (P.Y.Rs. 190.39)                                                                                                                                                                                                                                                                                                  |                      |                      |                      |
| 9   | Inventories                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|     | (at lower of cost or Net realisable value)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |                      |                      |
|     | Raw Materials                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 883.39               | 1,438.78             | 709.65               |
|     | Finished Goods                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 5,475.00             | 4,459.13             | 4,121.73             |
|     | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>6,358.40</b>      | <b>5,897.91</b>      | <b>4,831.39</b>      |
| (a) | Inventories are given as security for various borrowing facilities availed from lenders, refer Note 14.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      |                      |                      |
| 10  | Trade receivables                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|     | (measured at amortised cost)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                      |                      |
|     | Unsecured, considered good                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 11,163.18            | 9,674.02             | 6,119.96             |
|     | Less: Expected credit loss allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -                    | -                    | -                    |
|     | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>11,163.18</b>     | <b>9,674.02</b>      | <b>6,119.96</b>      |
| (a) | Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows. Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days and are conditioned to be recovered purely on passage of time. |                      |                      |                      |
| (b) | Trade receivables are given as security for various borrowing facilities availed from lenders, refer Note 14.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                      |                      |                      |
| (c) | Carrying value of trade receivables may be affected by the changes in credit risk of the counter parties as explained in Note 2 (E)(2)(iv)                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |                      |                      |
| (d) | There are no trade receivables due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables due from firms or private companies in which any director is a partner, member or director is Rs 63.79 Lakhs (P.Y. 950.65 Lakhs).                                                                                                                                                                                                                                                                                       |                      |                      |                      |
| 11  | Cash and cash equivalents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|     | (measured at amortised cost)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                      |                      |
|     | Cash on Hand                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 4.47                 | 12.25                | 23.61                |
|     | <b>Balance with Banks:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |                      |                      |
|     | - In current accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2.86                 | 4.52                 | 1.84                 |
|     | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>7.33</b>          | <b>16.77</b>         | <b>25.45</b>         |
|     | There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and previous year.                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                      |                      |
| 12  | Loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|     | (measured at amortised cost)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |                      |                      |
|     | <b>Current</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                      |                      |
|     | Loan to Employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2.39                 | 2.19                 | 3.57                 |
|     | <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>2.39</b>          | <b>2.19</b>          | <b>3.57</b>          |

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

Notes to the financial statements for the year ended March 31, 2021

(Rs. in lakhs)

| 13 Equity share capital                                                                                            | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|--------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Authorised Equity Share Capital</b>                                                                             |                      |                      |                      |
| 11,000,000 (March 31, 2020: 11,000,000 and April 1, 2019: 11,000,000) Equity shares of Rs. 10/- each               | 1,100.00             | 1,100.00             | 1,100.00             |
| <b>Total</b>                                                                                                       | <b>1,100.00</b>      | <b>1,100.00</b>      | <b>1,100.00</b>      |
| <b>Issued, Subscribed and Fully Paid-up Share Capital</b>                                                          |                      |                      |                      |
| 10,076,100 (March 31, 2020: 10,076,100 and April 1, 2019: 10,076,100) Equity shares of Rs. 10/- each fully paid-up | 1,007.61             | 1,007.61             | 1,007.61             |
| <b>Total issued, subscribed and fully paid-up share capital</b>                                                    | <b>1,007.61</b>      | <b>1,007.61</b>      | <b>1,007.61</b>      |

(i) Reconciliation of number of shares

| Equity Shares                         | No of Shares       | Amount          |
|---------------------------------------|--------------------|-----------------|
| <b>Balance as at April 01, 2019</b>   | <b>1,00,76,100</b> | <b>1,007.61</b> |
| Add : Issue of shares during the year | -                  | -               |
| <b>Balance as at March 31, 2020</b>   | <b>1,00,76,100</b> | <b>1,007.61</b> |
| Add : Issue of shares during the year | -                  | -               |
| <b>Balance as at March 31, 2021</b>   | <b>1,00,76,100</b> | <b>1,007.61</b> |

(ii) 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 share. Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares held by Holding Company including shares held by or by subsidiaries or associates of the holding company or the Ultimate Holding

The Company does not have any Holding Company, Subsidiaries or Associates.

(iv) Details of shareholders holding more than 5% of the aggregate shares in the Company

| Equity Shares      | As at March 31, 2021 |           | As at March 31, 2020 |           | As at April 01, 2019 |           |
|--------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
|                    | No of Shares         | % Holding | No of Shares         | % Holding | No of Shares         | % Holding |
| Nilaybhai J. Vora  | 12,04,000            | 12%       | 12,04,000            | 12%       | 12,04,000            | 12%       |
| Bhavik S. Parikh   | 23,58,860            | 23%       | 23,58,860            | 23%       | 23,58,860            | 23%       |
| Bhavin S. Parikh   | 17,41,620            | 17%       | 17,41,620            | 17%       | 17,41,620            | 17%       |
| Shraddha B. Parikh | 8,70,810             | 9%        | 8,70,810             | 9%        | 8,70,810             | 9%        |
| Purvi B. Parikh    | 8,70,810             | 9%        | 8,70,810             | 9%        | 8,70,810             | 9%        |

(v) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts

The Company does not have any shares reserved for issue under options and contracts/commitment.

(vi) For the period of five years immediately preceding March 31, 2021

- (a) Shares allotted as fully paid-up without payment being received in cash: Nil
- (b) Shares bought back: Nil
- (c) Issue of Bonus shares: Nil

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

Notes to the financial statements for the year ended March 31, 2021

(Rs. in lakhs)

| 14 Other equity                                                                                | As at March 31,<br>2021 | As at March 31,<br>2020 | As at April 01, 2019 |
|------------------------------------------------------------------------------------------------|-------------------------|-------------------------|----------------------|
| <b>(a) Securities Premium</b>                                                                  |                         |                         |                      |
| Balance as at beginning of the year                                                            | 862.53                  | 862.53                  | 862.53               |
| Add: Amount received during the year                                                           | -                       | -                       | -                    |
| Balance as at end of the year                                                                  | 862.53                  | 862.53                  | 862.53               |
| <b>(b) Retained Earnings</b>                                                                   |                         |                         |                      |
| Balance as at beginning of the year                                                            | 2,356.52                | 2,051.03                | 1,993.70             |
| Add : Net Profit for the year                                                                  | 25.12                   | 309.71                  | 57.33                |
| Add : Other comprehensive income/(loss) arising from remeasurement of defined benefit obligati | 23.80                   | (4.22)                  | -                    |
| Balance as at end of the year                                                                  | 2,405.44                | 2,356.52                | 2,051.03             |
| <b>Total Other Equity</b>                                                                      | <b>3,267.97</b>         | <b>3,219.05</b>         | <b>2,913.56</b>      |

**(i) Securities Premium**

The securities premium received by the Company on issue of shares at premium. This balance will be utilised in accordance with the provisions of Section 52 of the Act towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission/discount expenses on issue of shares/debentures, premium payable on redemption of redeemable preference shares/debentures and buy back of its own shares/securities under Section 68 of the Act.

**(ii) Retained Earnings**

The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the financial position and dividend policy of the Company and in compliance with the requirements of the Act.

Notes to the financial statements for the year ended March 31, 2021

(Rs. in lakhs)

| 15 Borrowings                          | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|----------------------------------------|----------------------|----------------------|----------------------|
| <b>Non-current</b>                     |                      |                      |                      |
| <b>Secured</b>                         |                      |                      |                      |
| <b>Term Loan</b>                       |                      |                      |                      |
| - from banks.                          | 66.67                | 74.09                | 183.42               |
| - from NBFC                            | 82.04                | 128.60               | 181.96               |
| <b>Other Loans</b>                     |                      |                      |                      |
| - Vehicle Loan                         | 16.97                | 17.17                | 34.33                |
| <b>Unsecured</b>                       |                      |                      |                      |
| <b>Term Loan</b>                       |                      |                      |                      |
| - from NBFC                            | 20.53                | 39.00                | 114.97               |
| <b>Total</b>                           | <b>186.21</b>        | <b>258.86</b>        | <b>514.68</b>        |
| <b>Current</b>                         |                      |                      |                      |
| <b>Secured</b>                         |                      |                      |                      |
| <b>Demand Loan</b>                     |                      |                      |                      |
| - from banks                           | 6,860.11             | 5,385.77             | 4,552.83             |
| - from related parties (refer note 35) | 39.41                | 0.08                 | 8.85                 |
| <b>Total</b>                           | <b>6,899.52</b>      | <b>5,385.85</b>      | <b>4,561.68</b>      |

**Notes:**

- (a) Vehicle Loan is of Rs 78.41 Lakhs repayable in 60 equal monthly instalments of Rs. 1.61 Lakhs each including interest, from 5th March, 2017. The loan is secured by hypothecation of vehicle of the company.
- (b) Details of Term Loans from Banks:

| Particulars                                                 | Amount of Instalment | No. of Monthly Instalments | Interest Rate | Remarks                              |
|-------------------------------------------------------------|----------------------|----------------------------|---------------|--------------------------------------|
| Karur Vyasya Bank - (Loan I)                                | 3.59                 | First 8 Instalments        | 11.10%        | Repaid during F.Y. 2020-21           |
|                                                             | 4.23                 | Subsequent 1 Instalment    |               |                                      |
|                                                             | 4.40                 | Subsequent 44 Instalments  |               |                                      |
|                                                             | 4.61                 | Subsequent 1 Instalment    |               |                                      |
| Karur Vyasya Bank - (Loan II)                               | 6.45                 | First 59 Instalments       | 11.10%        | Repaid during F.Y. 2020-21           |
|                                                             | 6.71                 | Subsequent 6 Instalments   |               |                                      |
| Karur Vyasya Bank - (Loan III)                              | 6.03                 | First 32 Instalments       | 10.05%        | Shall be repaid during F.Y. 2021-22  |
|                                                             | 6.32                 | Subsequent 16 Instalments  |               |                                      |
| Karur Vyasya Bank - (Loan IV)                               | 2.08                 | First 31 Instalments       | 10.30%        | Shall be repaid during F.Y. 2021-22  |
|                                                             | 2.18                 | Subsequent 17 Instalments  |               |                                      |
| Karur Vyasya Bank - (Loan V)                                | 15.10                | First 47 Instalments       | 8.20%         | After moratorium period of 13 months |
|                                                             | 15.10                | Subsequent 1 Instalment    |               |                                      |
| Union Bank of India (Covid Emergency Credit Line Term Loan) | 11.11                | First 18 Instalments       | 8.00%         | After moratorium period of 6 months. |

- (c) Details of Loans from NBFC:

| Particulars                                      | Amount of Instalment | No. of Monthly Instalments | Interest Rate | Remarks                             |
|--------------------------------------------------|----------------------|----------------------------|---------------|-------------------------------------|
| Capital First Limited (Unsecured Loan)           | 1.84                 | First 12 Instalments       | 18% P.A.      | Shall be repaid during F.Y. 2021-22 |
|                                                  | 1.10                 | Subsequent 12 Instalments  |               |                                     |
|                                                  | 0.73                 | Subsequent 12 Instalments  |               |                                     |
| Kotak Mahindra Bank (Unsecured Loan)             | 3.02                 | First 8 Instalments        | 16% P.A.      | Repaid during F.Y. 2020-21          |
|                                                  | 2.50                 | Subsequent 6 Instalments   |               |                                     |
|                                                  | 2.55                 | Subsequent 2 Instalments   |               |                                     |
|                                                  | 1.80                 | Subsequent 8 Instalments   |               |                                     |
| Magma Fincorp Ltd.(Unsecured Loan)               | 2.64                 | First 8 Instalments        | 18.11% P.A.   | Repaid during F.Y. 2020-21          |
|                                                  | 2.05                 | Subsequent 8 Instalments   |               |                                     |
|                                                  | 1.17                 | Subsequent 8 Instalments   |               |                                     |
| Shriram City Union Finance Ltd ( Unsecured Loan) | 2.62                 | First 8 Instalments        | 16% P.A.      | Shall be repaid during F.Y.2021-22  |
|                                                  | 2.33                 | Subsequent 8 Instalments   |               |                                     |
|                                                  | 0.88                 | Subsequent 4 Instalments   |               |                                     |
|                                                  | 2.62                 | Subsequent 1 Instalment    |               |                                     |
|                                                  | 1.63                 | Subsequent 1 Instalment    |               |                                     |
| India Infoline Finance Ltd (Unsecured Loan)      | 2.18                 | First 8 Instalments        | 15% P.A.      | Repaid during F.Y. 2020-21          |
|                                                  | 1.53                 | Subsequent 5 Instalments   |               |                                     |
|                                                  | 0.94                 | Subsequent 11 Instalments  |               |                                     |
| Mas Financial Services Ltd (Unsecured Loan)      | 1.54                 | 48 Instalments             | 13.25% P.A.   |                                     |
| Mas Financial Services Ltd (Secured Loan)        | 6.16                 | 48 Instalments             | 13.25% P.A.   |                                     |

Notes to the financial statements for the year ended March 31, 2021

(Rs. in lakhs)

- (d) Due to outbreak of COVID-19 globally and in India, Company has availed moratorium as applicable in repayment of certain term loans.
- (e) Secured Loan from bank comprises of cash credit and packing credit facilities. Cash credit and packing credit facilities are repayable on demand and carry interest @ Base Rate + 1.75% and Base Rate + 0.25% respectively. Further, Secured loan from banks for cash credit and packing credit facilities include new limits availed during the year, repayable on demand and carry interest of @ Base Rate + 2.50%. Existing cash credit and packing credit limits and new limits availed during the year are secured against all trade receivables and stock.
- (f) The term loans and working capital facilities from banks are secured by hypothecation of all movable assets of the company and immovable assets located at the SEZ Unit of the company. Further, these loans are also secured by collateral securities given in the form of equitable mortgage of residential flat held by Mrs. Shardhaben B. Parikh, the additional equitable mortgage of immovable property held by the Company named "Aditya Green City Private Limited", additional equitable mortgage of industrial block held by Globe Denwash Private Limited and first pari-passu charge on residential property held by Mrs Sardaben Suryakant Parikh. Further, the term loans and working capital facilities are secured by personal guarantees of promoters and corporate guarantee of Globe Denwash Private Limited and Aditya Greencity Private Limited.
- (g) Unsecured loan from related parties represent loan taken from director and it is interest free and repayable on demand.

| 16 Provisions                                                                                                                                                                                                                                                                                | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Non-current</b>                                                                                                                                                                                                                                                                           |                      |                      |                      |
| Provision for gratuity (Refer Note 34)                                                                                                                                                                                                                                                       | 63.68                | 72.23                | 55.06                |
| Provision for compensated absences (Refer Note 34)                                                                                                                                                                                                                                           | 14.02                | -                    | -                    |
| <b>Total</b>                                                                                                                                                                                                                                                                                 | <b>77.70</b>         | <b>72.23</b>         | <b>55.06</b>         |
| <b>Current</b>                                                                                                                                                                                                                                                                               |                      |                      |                      |
| Provision for tax (Refer Note 28) <b>a)</b>                                                                                                                                                                                                                                                  | <b>28.23</b>         | <b>138.53</b>        | <b>179.34</b>        |
| Provision for gratuity (Refer Note 34).                                                                                                                                                                                                                                                      | 2.97                 | 3.56                 | -                    |
| Provision for compensated absences (Refer Note 34)                                                                                                                                                                                                                                           | 2.19                 | 19.82                | 16.48                |
| <b>b)</b>                                                                                                                                                                                                                                                                                    | <b>5.16</b>          | <b>23.38</b>         | <b>16.48</b>         |
| <b>Total (a+b)</b>                                                                                                                                                                                                                                                                           | <b>33.39</b>         | <b>161.91</b>        | <b>195.82</b>        |
| 17 Trade payables                                                                                                                                                                                                                                                                            | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
| Total outstanding dues of micro enterprises and small enterprises                                                                                                                                                                                                                            | 9.18                 | 4.99                 | 1.11                 |
| Total outstanding dues of creditors other than micro enterprises and small enter                                                                                                                                                                                                             | 8,388.79             | 6,769.40             | 3,141.28             |
| <b>Total</b>                                                                                                                                                                                                                                                                                 | <b>8,397.97</b>      | <b>6,774.39</b>      | <b>3,142.39</b>      |
| Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors. |                      |                      |                      |
| (i) Principal amount paid after appointed date during the year                                                                                                                                                                                                                               | -                    | -                    | -                    |
| (ii) Amount of interest due and payable for the delayed payment of principal amou                                                                                                                                                                                                            | -                    | -                    | -                    |
| (iii) Principal amount remaining unpaid as at year end (over due)                                                                                                                                                                                                                            | -                    | -                    | -                    |
| (iv) Principal amount remaining unpaid as at year end (not due)                                                                                                                                                                                                                              | 9.18                 | 4.99                 | 1.11                 |
| (v) Interest due and payable on principal amount unpaid as at the year end                                                                                                                                                                                                                   | -                    | -                    | -                    |
| (vi) Total amount of interest accrued and unpaid as at year end                                                                                                                                                                                                                              | -                    | -                    | -                    |
| (vii) Further interest remaining due and payable for earlier years                                                                                                                                                                                                                           | -                    | -                    | -                    |
| 18 Other financial liabilities                                                                                                                                                                                                                                                               | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
| <i>(measured at amortised cost except for Derivative Assets which is measured at Fair value through profit or loss)</i>                                                                                                                                                                      |                      |                      |                      |
| <b>Current</b>                                                                                                                                                                                                                                                                               |                      |                      |                      |
| Current maturities of long term borrowings                                                                                                                                                                                                                                                   | 329.05               | 245.59               | 413.12               |
| Interest accrued but not due on borrowings                                                                                                                                                                                                                                                   | 1.11                 | 10.65                | 5.74                 |
| Derivative Liabilities - Foreign exchange forward contracts                                                                                                                                                                                                                                  | -                    | 86.91                | -                    |
| Agent Commission Payable                                                                                                                                                                                                                                                                     | 722.07               | 844.70               | 864.90               |
| Other payable                                                                                                                                                                                                                                                                                | 3.83                 | -                    | 1.25                 |
| <b>Total</b>                                                                                                                                                                                                                                                                                 | <b>1,056.06</b>      | <b>1,187.85</b>      | <b>1,285.01</b>      |
| 19 Other liabilities                                                                                                                                                                                                                                                                         | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
| <b>Current</b>                                                                                                                                                                                                                                                                               |                      |                      |                      |
| Advance received from customers (Contract liabilities)                                                                                                                                                                                                                                       | 246.55               | 428.62               | 180.30               |
| Statutory dues                                                                                                                                                                                                                                                                               | 113.05               | 10.43                | 13.90                |
| <b>Total</b>                                                                                                                                                                                                                                                                                 | <b>359.60</b>        | <b>439.05</b>        | <b>194.20</b>        |

**Globe Textiles (India) Limited**  
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**Notes to the financial statements for the year ended March 31, 2021**

(Rs. in lakhs)

| 20 Revenue From Operations                                                         | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Income from sale of goods</b>                                                   |                                      |                                      |
| Domestic Sales                                                                     | 19,303.43                            | 13,141.29                            |
| Exports Sales                                                                      | 5,899.44                             | 12,920.14                            |
| <b>Other Operating Income</b>                                                      |                                      |                                      |
| Job work Income                                                                    | 109.87                               | 4.75                                 |
| Export Incentives                                                                  | 596.54                               | 450.63                               |
| <b>Total</b>                                                                       | <b>25,909.28</b>                     | <b>26,516.81</b>                     |
| <b>Reconciliation of gross revenue with revenue from contracts with customers</b>  | <b>For the year ended</b>            | <b>For the year ended</b>            |
|                                                                                    | <b>March 31, 2021</b>                | <b>March 31, 2020</b>                |
| Gross revenue (i.e Contracted Price)                                               | 25,933.61                            | 26,532.94                            |
| Less: Discounts, rebates, Price Concessions etc.                                   | (24.34)                              | (16.13)                              |
| <b>Total</b>                                                                       | <b>25,909.28</b>                     | <b>26,516.81</b>                     |
| <b>21 Other income</b>                                                             | <b>For the year ended</b>            | <b>For the year ended</b>            |
|                                                                                    | <b>March 31, 2021</b>                | <b>March 31, 2020</b>                |
| Foreign exchange fluctuation (net)                                                 | 78.12                                | 158.66                               |
| Interest income on financial assets measured at amortised cost                     |                                      |                                      |
| - Deposits with Banks                                                              | 7.80                                 | 3.26                                 |
| - Others                                                                           | 0.15                                 | -                                    |
| Gain on Derivative Assets (forward contracts)                                      | 123.40                               | -                                    |
| Profit on sale of Property, Plant and Equipment                                    | -                                    | 12.75                                |
| Liabilities no longer required written back                                        | 92.77                                | 12.39                                |
| Subsidy Income                                                                     | 67.58                                | -                                    |
| Miscellaneous Income                                                               | 80.60                                | 0.71                                 |
| <b>Total</b>                                                                       | <b>450.42</b>                        | <b>187.77</b>                        |
| <b>22 Cost of materials consumed</b>                                               | <b>For the year ended</b>            | <b>For the year ended</b>            |
|                                                                                    | <b>March 31, 2021</b>                | <b>March 31, 2020</b>                |
| Opening Stock of Raw Materials                                                     | 1,438.78                             | 709.65                               |
| Add: Purchases during the year                                                     | 13,155.92                            | 9,704.46                             |
| Add: Processing and Packing Charges                                                | 1,217.94                             | 2,152.43                             |
| Less: Closing Stock of Raw Materials                                               | 883.39                               | 1,438.78                             |
| <b>Cost of materials consumed</b>                                                  | <b>14,929.25</b>                     | <b>11,127.76</b>                     |
| <b>23 Changes in stock of finished goods and stock-in-trade</b>                    | <b>For the year ended</b>            | <b>For the year ended</b>            |
|                                                                                    | <b>March 31, 2021</b>                | <b>March 31, 2020</b>                |
| <b>Inventories at the beginning of the year</b>                                    |                                      |                                      |
| Finished Goods                                                                     | 4,459.13                             | 4,121.73                             |
| <b>Less : Inventories at the end of the year</b>                                   |                                      |                                      |
| Finished Goods                                                                     | 5,475.00                             | 4,459.12                             |
| <b>Net (Increase) / Decrease in Inventories of finished goods and traded goods</b> | <b>(1,015.88)</b>                    | <b>(337.39)</b>                      |
| <b>24 Employee benefits expense</b>                                                | <b>For the year ended</b>            | <b>For the year ended</b>            |
|                                                                                    | <b>March 31, 2021</b>                | <b>March 31, 2020</b>                |
| Salaries, wages and bonus                                                          | 538.90                               | 791.52                               |
| Contribution to provident fund and other fund (Refer Note 34)                      | 38.06                                | 35.29                                |
| Compensated absence expense (Refer Note 34)                                        | 2.89                                 | 11.85                                |
| Gratuity (Refer Note 34)                                                           | 23.84                                | 20.91                                |
| Staff welfare expenses                                                             | 11.58                                | 2.95                                 |
| <b>Total</b>                                                                       | <b>615.27</b>                        | <b>862.51</b>                        |

**Globe Textiles (India) Limited**  
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**Notes to the financial statements for the year ended March 31, 2021**

(Rs. in lakhs)

| 25 Finance costs                                             | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Interest Expense on</b>                                   |                                      |                                      |
| -Term Loan                                                   | 45.42                                | 72.36                                |
| -Working Capital Loan                                        | 491.43                               | 442.32                               |
| -Others                                                      | 52.65                                | 79.23                                |
| Bank Charges and Other Borrowing Costs                       | 36.14                                | 75.17                                |
| <b>Total</b>                                                 | <b>625.64</b>                        | <b>669.08</b>                        |
| 26 Depreciation and amortization expense                     | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Depreciation on Property, Plant and Equipment (Refer Note 5) | 105.77                               | 105.51                               |
| Amortization of Intangible assets (Refer Note 6)             | -                                    | 1.51                                 |
| Depreciation on Right of Use Assets (Refer Note 6)           | 18.65                                | 18.65                                |
| <b>Total</b>                                                 | <b>124.42</b>                        | <b>125.67</b>                        |
| 27 Other expenses                                            | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Power and Fuel                                               | 18.62                                | 24.01                                |
| Labour charges                                               | 3.86                                 | 4.56                                 |
| Transportation expenses                                      | 79.07                                | 89.03                                |
| Stores & Spares Consumed                                     | 8.01                                 | 13.98                                |
| Repairs and maintenance                                      |                                      |                                      |
| - Plant & Machinery                                          | 1.37                                 | 3.45                                 |
| - Others                                                     | 3.79                                 | 7.41                                 |
| Insurance                                                    | 38.97                                | 38.08                                |
| Commission expenses                                          | 116.91                               | 188.28                               |
| Freight and forwarding expenses                              | 87.47                                | 127.95                               |
| Security expenses                                            | 8.88                                 | 12.89                                |
| Legal and professional expenses                              | 41.58                                | 49.06                                |
| Payment to auditors (Refer Note (a) below)                   | 2.67                                 | 0.80                                 |
| Rates & taxes                                                | 10.86                                | 32.85                                |
| Rent                                                         | 2.10                                 | 2.10                                 |
| Travelling and Conveyance expenses                           | 3.26                                 | 26.12                                |
| Office & Factory expenses                                    | 6.62                                 | 2.85                                 |
| Membership and subscription                                  | 1.15                                 | 1.62                                 |
| Printing and stationery                                      | 1.50                                 | 4.03                                 |
| Communication expense                                        | 0.99                                 | 1.43                                 |
| Loss on Derivative Assets (forward contracts)                | -                                    | 166.34                               |
| Postage and Courier expenses                                 | 14.70                                | 34.82                                |
| Business promotion expenses                                  | 3.36                                 | 3.37                                 |
| Donation (other than political)                              | 1.61                                 | 0.11                                 |
| CSR Expense (Refer Note 40)                                  | 7.11                                 | -                                    |
| Miscellaneous expenses                                       | 8.88                                 | 12.22                                |
| <b>Total</b>                                                 | <b>473.35</b>                        | <b>847.36</b>                        |
| <b>(a) Payment to auditors</b>                               |                                      |                                      |
| As auditor (excluding applicable taxes)                      |                                      |                                      |
| Statutory audit fee                                          | 2.50                                 | 0.80                                 |
| Tax audit fee                                                | -                                    | -                                    |
| Others                                                       | 0.17                                 | -                                    |
| <b>Total</b>                                                 | <b>2.67</b>                          | <b>0.80</b>                          |

| 28   | Income tax expense                                                            | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|------|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| (i)  | <b>Income tax expense recognised in Statement of Profit and Loss and OCI:</b> |                                      |                                      |
| A    | <b>Income tax expense recognised in Statement of Profit and loss:</b>         |                                      |                                      |
|      | <b>Current tax expense/ (credit)</b>                                          |                                      |                                      |
|      | In respect of current year                                                    | 48.90                                | 145.17                               |
|      | In respect of earlier years                                                   | 4.62                                 | (6.40)                               |
|      |                                                                               | <b>53.52</b>                         | <b>138.77</b>                        |
|      | <b>Deferred tax expense / (credit)</b>                                        |                                      |                                      |
|      | In respect of current year                                                    | 56.70                                | (49.68)                              |
|      |                                                                               | <b>56.70</b>                         | <b>(49.68)</b>                       |
| B    | <b>Income tax expense recognised in OCI:</b>                                  |                                      |                                      |
|      | Deferred tax                                                                  |                                      |                                      |
|      | In respect of current year                                                    | (9.18)                               | 1.62                                 |
|      |                                                                               | <b>(9.18)</b>                        | <b>1.62</b>                          |
| (ii) | <b>Reconciliation of tax expense and the accounting profit</b>                |                                      |                                      |
|      | Profit before tax                                                             | 135.34                               | 398.80                               |
|      | Tax Rate applied                                                              | 27.82%                               | 27.82%                               |
|      | Income tax expense calculated at the applicable tax rate on Profit before tax | 37.65                                | 110.95                               |
|      | Adjustment in Tax due to the following (tax benefit)/tax expenses             |                                      |                                      |
|      | Expenses not deductible for tax purpose (net)                                 | (29.14)                              | 52.67                                |
|      | Others                                                                        | 40.39                                | (18.45)                              |
|      | Tax expense / (credit) in respect of earlier years                            | 4.62                                 | (6.40)                               |
|      | <b>Tax expenses recognised during the year</b>                                | <b>53.52</b>                         | <b>138.77</b>                        |
|      | Effective Tax Rate (%)                                                        | 39.55                                | 34.80                                |
|      | <b>Balance Sheet Section</b>                                                  |                                      |                                      |
|      | Current Tax Liabilities (net)                                                 | 28.23                                | 138.53                               |
|      | Income Tax Asset (net)                                                        | 132.92                               | 92.28                                |
|      | <b>Total</b>                                                                  | <b>104.69</b>                        | <b>(46.25)</b>                       |

**(iii) Deferred tax**

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences.

Component of Deferred tax liabilities/assets are as follows:

| Break up of Deferred tax (liabilities)/assets | As at April 01, 2020 | Recognised in Statement<br>of Profit and Loss | Recognised in OCI | As at March 31, 2021 |
|-----------------------------------------------|----------------------|-----------------------------------------------|-------------------|----------------------|
| Depreciation                                  | (98.99)              | (18.88)                                       | -                 | (117.87)             |
| Provision for gratuity                        | 24.86                | (8.59)                                        | (9.18)            | 7.09                 |
| Provision for compensated absences            | -                    | 4.23                                          | -                 | 4.23                 |
| Fair valuation of Financial Instruments       | 24.18                | (34.33)                                       | -                 | (10.15)              |
| Bonus                                         | 6.32                 | 0.87                                          | -                 | 7.20                 |
| <b>Total</b>                                  | <b>(43.63)</b>       | <b>(56.70)</b>                                | <b>(9.18)</b>     | <b>(109.50)</b>      |
| Break up of Deferred tax (liabilities)/assets | As at April 01, 2019 | Recognised in Statement<br>of Profit and Loss | Recognised in OCI | As at March 31, 2020 |
| Depreciation                                  | (99.12)              | 0.13                                          | -                 | (98.99)              |
| Provision for gratuity                        | 22.11                | 1.13                                          | 1.62              | 24.86                |
| Provision for compensated absences            | -                    | -                                             | -                 | -                    |
| Derivative Assets                             | (22.10)              | 46.28                                         | -                 | 24.18                |
| Bonus                                         | 4.18                 | 2.14                                          | -                 | 6.32                 |
| <b>Total</b>                                  | <b>(94.93)</b>       | <b>49.68</b>                                  | <b>1.62</b>       | <b>(43.63)</b>       |

**Globe Textiles (India) Limited**  
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**Notes to the financial statements for the year ended March 31, 2021**

**(Rs. in lakhs)**

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2021, March 31, 2020 and April 1, 2019:

| Particulars                               | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|-------------------------------------------|----------------------|----------------------|----------------------|
| Income tax assets                         | 132.92               | 92.28                | 75.42                |
| Income tax liabilities                    | 28.23                | 138.53               | 179.34               |
| <b>Net income tax assets/ (liability)</b> | <b>104.69</b>        | <b>(46.25)</b>       | <b>(103.92)</b>      |

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. Refer Note 29.

|                                                                                             |                             |                             |
|---------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>29 Capital and other commitments</b>                                                     | <b>As at March 31, 2021</b> | <b>As at March 31, 2020</b> |
| Estimated amount of contracts in capital account remaining to be executed (net of advances) | -                           | -                           |
| <b>Total</b>                                                                                | <b>-</b>                    | <b>-</b>                    |
| <b>30 Contingent liabilities</b>                                                            | <b>As at March 31, 2021</b> | <b>As at March 31, 2020</b> |
| (i) Direct tax matters                                                                      | 767.64*                     | 758.38*                     |
| <b>Total</b>                                                                                | <b>767.64</b>               | <b>758.38</b>               |

\* The Above mentioned amount is excluding interest outstanding on such demands.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company is contesting the above demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities hence it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

|                                                                    |                                              |                                              |
|--------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>31 Earning per share (EPS)</b>                                  | <b>For the year ended<br/>March 31, 2021</b> | <b>For the year ended<br/>March 31, 2020</b> |
| Net Profit after tax for calculation of basic EPS                  | 25.12                                        | 309.71                                       |
| Weighted average number of equity shares for calculating Basic EPS | 1,00,76,100                                  | 1,00,76,100                                  |
| Nominal value per share (Rs)                                       | 10.00                                        | 10.00                                        |
| Basic Earning Per Share (in Rupees)                                | 0.25                                         | 3.07                                         |
| Diluted Earning Per Share (in Rupees)                              | 0.25                                         | 3.07                                         |

### 32 Financial Instruments

#### (i) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital structure using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

| Particulars                                                                                     | As at March 31, 2021 | As at March 31, 2020 | As at April 01, 2019 |
|-------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| Debt (Long term borrowings, Short term borrowings & Current maturities of Long term borrowings) | 7,414.78             | 5,890.30             | 5,489.48             |
| Equity                                                                                          | 4,275.58             | 4,226.66             | 3,921.17             |
| <b>Debt to Equity Ratio</b>                                                                     | <b>1.73</b>          | <b>1.39</b>          | <b>1.40</b>          |

As on March 31, 2021, there are no covenants applicable for long term loan outstanding.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

#### (ii) Category-wise financial instruments:

The accounting classification of each category of financial instruments and their carrying amounts are set out below:

| Financial Assets as at March 31, 2021      | Amortised Cost   | FVTOCI       | FVTPL                | Total carrying value | Total fair value |
|--------------------------------------------|------------------|--------------|----------------------|----------------------|------------------|
| <b>Non-current</b>                         |                  |              |                      |                      |                  |
| Other financial assets                     | 49.97            | -            | -                    | 49.97                | 49.97            |
|                                            | <b>49.97</b>     | <b>-</b>     | <b>-</b>             | <b>49.97</b>         | <b>49.97</b>     |
| <b>Current</b>                             |                  |              |                      |                      |                  |
| Trade receivables                          | 11,163.18        | -            | -                    | 11,163.18            | 11,163.18        |
| Cash and cash equivalents                  | 7.33             | -            | -                    | 7.33                 | 7.33             |
| Other financial assets                     | 135.09           | -            | 36.50                | 171.59               | 171.59           |
|                                            | <b>11,305.60</b> | <b>-</b>     | <b>36.50</b>         | <b>11,342.10</b>     | <b>11,342.10</b> |
| <b>Total</b>                               | <b>11,355.57</b> | <b>-</b>     | <b>36.50</b>         | <b>11,392.07</b>     | <b>11,392.07</b> |
| Financial Liabilities as at March 31, 2021 | Amortised Cost   | FVTPL        | Total carrying value | Total fair value     |                  |
| <b>Non-current</b>                         |                  |              |                      |                      |                  |
| Borrowings                                 | 186.21           | -            | 186.21               | 186.21               |                  |
|                                            | <b>186.21</b>    | <b>-</b>     | <b>186.21</b>        | <b>186.21</b>        |                  |
| <b>Current</b>                             |                  |              |                      |                      |                  |
| Borrowings                                 | 6,899.52         | -            | 6,899.52             | 6,899.52             |                  |
| Trade payables                             | 8,397.97         | -            | 8,397.97             | 8,397.97             |                  |
| Other financial liabilities                | 1,056.06         | -            | 1,056.06             | 1,056.06             |                  |
|                                            | <b>16,353.55</b> | <b>-</b>     | <b>16,353.55</b>     | <b>16,353.55</b>     |                  |
| <b>Total</b>                               | <b>16,539.76</b> | <b>-</b>     | <b>16,539.76</b>     | <b>16,539.76</b>     |                  |
| Financial Assets as at March 31, 2020      | Amortised Cost   | FVTOCI       | FVTPL                | Total carrying value | Total fair value |
| <b>Non-current</b>                         |                  |              |                      |                      |                  |
| Other financial assets                     | 146.35           | -            | -                    | 146.35               | 146.35           |
|                                            | <b>146.35</b>    | <b>-</b>     | <b>-</b>             | <b>146.35</b>        | <b>146.35</b>    |
| <b>Current</b>                             |                  |              |                      |                      |                  |
| Trade receivables                          | 9,674.03         | -            | -                    | 9,674.03             | 9,674.03         |
| Cash and cash equivalents                  | 16.77            | -            | -                    | 16.77                | 16.77            |
| Other financial assets                     | 2.09             | -            | -                    | 2.09                 | 2.09             |
|                                            | <b>9,692.89</b>  | <b>-</b>     | <b>-</b>             | <b>9,692.89</b>      | <b>9,692.89</b>  |
| <b>Total</b>                               | <b>9,839.24</b>  | <b>-</b>     | <b>-</b>             | <b>9,839.24</b>      | <b>9,839.24</b>  |
| Financial Liabilities as at March 31, 2020 | Amortised Cost   | FVTPL        | Total carrying value | Total fair value     |                  |
| <b>Non-current</b>                         |                  |              |                      |                      |                  |
| Borrowings                                 | 258.86           | -            | 258.86               | 258.86               |                  |
|                                            | <b>258.86</b>    | <b>-</b>     | <b>258.86</b>        | <b>258.86</b>        |                  |
| <b>Current</b>                             |                  |              |                      |                      |                  |
| Borrowings                                 | 5,385.85         | -            | 5,385.85             | 5,385.85             |                  |
| Trade payables                             | 6,774.39         | -            | 6,774.39             | 6,774.39             |                  |
| Other financial liabilities                | 1,100.94         | 86.91        | 1,187.85             | 1,187.85             |                  |
|                                            | <b>13,261.18</b> | <b>86.91</b> | <b>13,348.09</b>     | <b>13,348.09</b>     |                  |
| <b>Total</b>                               | <b>13,520.04</b> | <b>86.91</b> | <b>13,606.95</b>     | <b>13,606.95</b>     |                  |

**Notes to the financial statements for the year ended March 31, 2021**

(Rs. in lakhs)

| Financial Assets as at April 01, 2019 | Amortised Cost  | FVTOCI   | FVTPL        | Total carrying value | Total fair value |
|---------------------------------------|-----------------|----------|--------------|----------------------|------------------|
| <b>Non-current</b>                    |                 |          |              |                      |                  |
| Other financial assets                | 45.69           | -        | -            | 45.69                | 45.69            |
|                                       | <b>45.69</b>    | <b>-</b> | <b>-</b>     | <b>45.69</b>         | <b>45.69</b>     |
| <b>Current</b>                        |                 |          |              |                      |                  |
| Trade receivables                     | 6,119.96        | -        | -            | 6,119.96             | 6,119.96         |
| Cash and cash equivalents             | 25.45           | -        | -            | 25.45                | 25.45            |
| Other financial assets                | 0.16            | -        | 79.43        | 79.59                | 79.59            |
|                                       | <b>6,145.57</b> | <b>-</b> | <b>79.43</b> | <b>6,225.00</b>      | <b>6,225.00</b>  |
| <b>Total</b>                          | <b>6,191.26</b> | <b>-</b> | <b>79.43</b> | <b>6,270.69</b>      | <b>6,270.69</b>  |

| Financial Liabilities as at April 01, 2019 | Amortised Cost  | FVTPL    | Total carrying value | Total fair value |
|--------------------------------------------|-----------------|----------|----------------------|------------------|
| <b>Non-current</b>                         |                 |          |                      |                  |
| Borrowings                                 | 514.68          | -        | 514.68               | 514.68           |
|                                            | <b>514.68</b>   | <b>-</b> | <b>514.68</b>        | <b>514.68</b>    |
| <b>Current</b>                             |                 |          |                      |                  |
| Borrowings                                 | 4,561.68        | -        | 4,561.68             | 4,561.68         |
| Trade payables                             | 3,142.39        | -        | 3,142.39             | 3,142.39         |
| Other financial liabilities                | 1,285.01        | -        | 1,285.01             | 1,285.01         |
|                                            | <b>8,989.08</b> | <b>-</b> | <b>8,989.08</b>      | <b>8,989.08</b>  |
| <b>Total</b>                               | <b>9,503.76</b> | <b>-</b> | <b>9,503.76</b>      | <b>9,503.76</b>  |

For description of the Company's financial instrument risks, including risk management objectives and policies is given in, Note 33. The methods used to measure financial assets and liabilities reported at fair value are described in below Note.

**(iii) Fair Value Hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Financial assets and financial liabilities measured at fair value in the Balance Sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

**(a)** The Company uses the following hierarchy for determining and/or disclosing the fair value of financial assets by valuation techniques:

| Financial Assets as at March 31, 2021 | Level 1 - Quoted price in active market | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total        |
|---------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|--------------|
| At fair value through profit or loss  |                                         |                                         |                                           |              |
| Derivative Assets / (Liabilities)     | -                                       | 36.50                                   | -                                         | <b>36.50</b> |
| <b>Total</b>                          | <b>-</b>                                | <b>36.50</b>                            | <b>-</b>                                  | <b>36.50</b> |

| Financial Assets as at March 31, 2020 | Level 1 - Quoted price in active market | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total          |
|---------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|----------------|
| At fair value through profit or loss  |                                         |                                         |                                           |                |
| Derivative Assets / (Liabilities)     | -                                       | (86.91)                                 | -                                         | <b>(86.91)</b> |
| <b>Total</b>                          | <b>-</b>                                | <b>(86.91)</b>                          | <b>-</b>                                  | <b>(86.91)</b> |

| Financial Assets as at April 01, 2019 | Level 1 - Quoted price in active market | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total        |
|---------------------------------------|-----------------------------------------|-----------------------------------------|-------------------------------------------|--------------|
| At fair value through profit or loss  |                                         |                                         |                                           |              |
| Derivative Assets / (Liabilities)     | -                                       | 79.43                                   | -                                         | 79.43        |
| <b>Total</b>                          | <b>-</b>                                | <b>79.43</b>                            | <b>-</b>                                  | <b>79.43</b> |

There are no transfers between levels during the year.

**(b) Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Notes to the financial statements for the year ended March 31, 2021**
**(Rs. in lakhs)**
**33 Financial Risk Management and Objective**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is primarily exposed to risks resulting from fluctuation in market risk, credit risk and liquidity risk, which may adversely impact the fair value of its financial instruments.

**(a) Credit Risk:**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

**(i) Trade receivables**

The Company primarily collects consideration in advance for export of goods and services to be provided to the customer. As a result, the Company is exposed to reasonable credit risk in respect to domestic trade receivables.

The impairment is based on expected credit loss model considering the historical data and financial position of individual customer at each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9.

The Company does not hold any collateral as security. The Company has low concentration of risk with respect to trade receivables, as its customers are widely spread and belong to diversified markets.

**(ii) Cash and cash equivalents, bank deposits and Security Deposits**

The Company maintains its cash and cash equivalents and bank deposits with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Company monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.

**(b) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency receivables, deposits, investments in mutual funds.

Market risk exposures are measured using sensitivity analysis. There has been no change in the measurement and management of the Company's exposure to market risks.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Exposure to foreign currency risk is very limited. The Company has taken hedging instruments by way of forward contracts to hedge the foreign currency exposure in respect of trade receivables, and as far as trade payables are concerned, the Company's unhedged foreign currency exposure on account of foreign currency denominated payable as at March 31, 2021 is as follow:

| Particulars   | Currency    | As at March 31, 2021 | As at March 31, 2020 |
|---------------|-------------|----------------------|----------------------|
| Trade payable | USD         | 42,123.79            | 6,015.33             |
| Trade payable | Rs. in lacs | 30.96                | 4.53                 |

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 10% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 10% represents management's assessment of reasonably possible change in foreign exchange rate.

**Notes to the financial statements for the year ended March 31, 2021**

(Rs. in lakhs)

| Changes in USD rate by | Impact on profit or loss    | As at March 31, 2021 | As at March 31, 2020 |
|------------------------|-----------------------------|----------------------|----------------------|
| +5%                    | Profit before decreased by  | (1.55)               | (0.23)               |
| -5%                    | Profit before tax increased | 1.55                 | 0.23                 |

**(ii) Unhedged foreign currency risk**

The foreign currency exposure that have not been hedged by a derivative instrument or otherwise as at Balance sheet date are as follows:

| Particulars                 | Currency    | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------|-------------|----------------------|----------------------|
| Forward contract receivable | USD         | 2,36,137             | 1,12,930             |
| Forward contract receivable | Rs. in lacs | 173.56               | 85.13                |

| Changes in USD rate by | Impact on profit or loss    | As at March 31, 2021 | As at March 31, 2020 |
|------------------------|-----------------------------|----------------------|----------------------|
| +5%                    | Profit before decreased by  | 8.68                 | 4.26                 |
| -5%                    | Profit before tax increased | (8.68)               | (4.26)               |

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuation at the end of the reporting period. The said analysis has been carried out on the amount of floating rate long term liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points on the exposure on borrowing of Rs. 7,414.78 Lakhs as on 31st March, 2021 (Rs.5,890.30 Lakhs as on 31st March, 2020) and if all other variables were held constant, the Company's profit or loss for the year would increase or decrease as follows :

| Changes in interest rate by            | Impact on profit or loss                 | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------|------------------------------------------|----------------------|----------------------|
| Impact on Profit / (Loss) for the year | Profit before tax decreased/increased by | 37.07                | 29.45                |

**(c) Liquidity risk:**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

During the year, the Company has been regular in repayment of principal and interest on borrowings on or before due dates. The Company did not have defaults of principal and interest as on reporting date.

Ultimate responsibility for liquidity risk management rests with the board of directors, who has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Contractual maturities of financial liabilities and assets**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021 :

| Particulars                 | Upto 1 year      | 1-3 year      | More than 3 year | Total            |
|-----------------------------|------------------|---------------|------------------|------------------|
| <b>Liabilities</b>          |                  |               |                  |                  |
| Borrowings                  | 6,899.52         | 186.21        | -                | 7,085.73         |
| Trade payables              | 8,397.97         | -             | -                | 8,397.97         |
| Other financial liabilities | 1,056.06         | -             | -                | 1,056.06         |
| <b>Total</b>                | <b>16,353.55</b> | <b>186.21</b> | <b>-</b>         | <b>16,539.76</b> |
| <b>Assets</b>               |                  |               |                  |                  |
| Trade receivables           | 11,163.18        | -             | -                | 11,163.18        |
| Cash and cash equivalents   | 7.33             | -             | -                | 7.33             |
| Other financial assets      | 171.59           | 49.97         | -                | 221.56           |
| <b>Total</b>                | <b>11,342.10</b> | <b>49.97</b>  | <b>-</b>         | <b>11,392.07</b> |

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020 :

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

**Notes to the financial statements for the year ended March 31, 2021**

|                             | <b>(Rs. in lakhs)</b> |                 |                         |                  |
|-----------------------------|-----------------------|-----------------|-------------------------|------------------|
| <b>Particulars</b>          | <b>Upto 1 year</b>    | <b>1-3 year</b> | <b>More than 3 year</b> | <b>Total</b>     |
| <b>Liabilities</b>          |                       |                 |                         |                  |
| Borrowings                  | 5,385.85              | 258.86          |                         | 5,644.71         |
| Trade payables              | 6,774.39              | -               | -                       | 6,774.39         |
| Other financial liabilities | 1,187.85              | -               | -                       | 1,187.85         |
| <b>Total</b>                | <b>13,348.09</b>      | <b>258.86</b>   | <b>-</b>                | <b>13,606.95</b> |
| <b>Assets</b>               |                       |                 |                         |                  |
| Trade receivables           | 9,674.03              | -               | -                       | 9,674.03         |
| Cash and cash equivalents   | 16.77                 | -               | -                       | 16.77            |
| Other financial assets      | 2.09                  | 146.35          | -                       | 148.44           |
| <b>Total</b>                | <b>9,692.89</b>       | <b>146.35</b>   | <b>-</b>                | <b>9,839.24</b>  |

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at April 01, 2019 :

| <b>Particulars</b>          | <b>Upto 1 year</b> | <b>1-3 year</b> | <b>More than 3 year</b> | <b>Total</b>    |
|-----------------------------|--------------------|-----------------|-------------------------|-----------------|
| <b>Liabilities</b>          |                    |                 |                         |                 |
| Borrowings                  | 4,561.68           | 514.68          | -                       | 5,076.36        |
| Trade payables              | 3,142.39           | -               | -                       | 3,142.39        |
| Other financial liabilities | 1,285.01           | -               | -                       | 1,285.01        |
| <b>Total</b>                | <b>8,989.08</b>    | <b>514.68</b>   | <b>-</b>                | <b>9,503.76</b> |
| <b>Assets</b>               |                    |                 |                         |                 |
| Trade receivables           | 6,119.96           | -               | -                       | 6,119.96        |
| Cash and cash equivalents   | 25.45              | -               | -                       | 25.45           |
| Other financial assets      | 79.59              | 45.69           | -                       | 125.28          |
| <b>Total</b>                | <b>6,225.00</b>    | <b>45.69</b>    | <b>-</b>                | <b>6,270.69</b> |

**Globe Textiles (India) Limited**  
CIN : L65910GJ1995PLC027673

**Notes to the financial statements for the year ended March 31, 2021**

(Rs. in lakhs)

**34 Detail of Employees Benefits**

**(a) Defined Contribution Plans**

The Company has defined contribution plan in form of Provident Fund, Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified rates to fund the schemes.

| Particulars                     | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Provident Fund                  | 24.46                                | 20.62                                |
| Employee State Insurance Scheme | 13.44                                | 14.48                                |
| <b>Total</b>                    | <b>37.89</b>                         | <b>35.10</b>                         |

**(b) Defined Benefits Plans**

The Company provides for retirement benefits in the form of Gratuity. The Company's gratuity scheme (unfunded) provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service subject to a ceiling of Rs. 20 lakhs. Vesting occurs upon completion of 5 years of service.

The following tables set out the status of the gratuity plan (unfunded) and amounts recognised in the financial statements:

| Particulars                                                   | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|---------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(i) Present value of defined benefit obligation</b>        |                                      |                                      |
| Balance at the beginning of the year                          | 75.79                                | 52.60                                |
| Current service cost                                          | 18.81                                | 17.08                                |
| Interest Cost                                                 | 5.03                                 | 3.82                                 |
| <b>Remeasurement (gain)/loss:</b>                             |                                      |                                      |
| Actuarial (gain)/loss arising from experience adjustments     | (32.98)                              | 5.84                                 |
| Benefits paid                                                 | -                                    | (3.56)                               |
| Past service cost                                             | -                                    | -                                    |
| <b>Balance at the end of the year</b>                         | <b>66.65</b>                         | <b>75.79</b>                         |
| <b>(ii) Liability recognised in the Balance Sheet</b>         |                                      |                                      |
| Liability recognised in the Balance Sheet                     | 66.65                                | 75.79                                |
| <b>(iii) Cost of the defined benefit plan for the year</b>    |                                      |                                      |
| Current service cost                                          | 18.81                                | 17.08                                |
| Interest cost                                                 | 5.03                                 | 3.82                                 |
| Past service cost                                             | -                                    | -                                    |
| <b>Expense recognised in the Statement of Profit and Loss</b> | <b>23.84</b>                         | <b>20.91</b>                         |
| <b>Remeasurement on the net defined benefit liability:</b>    |                                      |                                      |
| Actuarial (gain)/loss arising from experience adjustments     | (32.98)                              | 5.84                                 |
| <b>Recognised in the Other Comprehensive Income</b>           | <b>(32.98)</b>                       | <b>5.84</b>                          |
| <b>Total cost of the defined benefit plan for the year</b>    | <b>(9.14)</b>                        | <b>26.75</b>                         |
| <b>(iv) Experience Adjustment</b>                             |                                      |                                      |
| Experience adjustment on plan liabilities (gain) / loss       | -                                    | -                                    |
| Actuarial Gain/(Loss) due to changes in assumptions           | (36.46)                              | 1.46                                 |
| <b>(v) Actuarial assumptions</b>                              |                                      |                                      |
| Discount rate (p.a.)                                          | 6.25%                                | 6.80%                                |
| Expected rate of salary increase (p.a.)                       | 8.00%                                | 8.00%                                |
| Mortality                                                     | IALM (2012-14) 100%                  | IALM (2012-14) 100%                  |
| Rate of employees turnover (p.a.)                             |                                      |                                      |
| 18-30 years                                                   | 5%                                   | 5%                                   |
| 31-40 years                                                   | 5%                                   | 5%                                   |
| 41 years & +                                                  | 1%                                   | 1%                                   |
| Retirement age                                                | 60 years                             | 60 years                             |

Estimates of future salary increase takes into account: inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Notes to the financial statements for the year ended March 31, 2021**

**(Rs. in lakhs)**

**(vi) Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below:**

| Particulars                                   | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------------------|----------------------|----------------------|
| Discount Rate +50 basis point higher          | 6.75%                | 7.30%                |
| Discount Rate -50 basis point lower           | 5.75%                | 6.30%                |
| Salary Escalation Rate +50 basis point higher | 8.50%                | 8.50%                |
| Salary Escalation Rate -50basis point higher  | 7.50%                | 7.50%                |
| Attrition Rate +50 basis point higher         | 5.50%                | 5.50%                |
| Attrition Rate -50 basis point higher         | 4.50%                | 4.50%                |

Sensitivities have been calculated to show the movement in Defined Benefit Obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**(vii)** The weighted average duration of the benefit obligation as at March 31, 2021 is 9.13 years (as at March 31, 2020: 9.72 years)

**(viii)** The Company expects to make a contribution of Rs. 20.00 Lakhs to the defined benefit plans during the next financial year.

**(ix) Maturity profile of defined benefit plan**

The followings are the expected future benefit payments for the defined benefit plan :

| Particulars                    | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------|----------------------|----------------------|
| Within the next 12 months      | 3.43                 | 4.69                 |
| Between 2 to 5 years           | 15.50                | 23.13                |
| Beyond 5 years                 | 47.73                | 47.97                |
| <b>Total expected payments</b> | <b>66.65</b>         | <b>75.79</b>         |

**(c) Compensated absence:**

The employees are entitled for leave for each year of service and part thereof, subject to the limits specified, the unavailed portion of such leaves can be accumulated or encashed during/at the end of the service period. The plan is unfunded.

Expenses recognised in the Statement of Profit and Loss amounts to Rs. 2.89 Lakhs (Previous year: .11.85 Lakhs)

Notes to the financial statements for the year ended March 31, 2021

(Rs. in lakhs)

35 Related Party Disclosures

| Relationship                                                                                                                      | Name of Party                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key Management Personnel and Directors                                                                                            | Mr. Bhavik Parikh - Director<br>Mr. Nilay Vora - Director<br>Mr. Bhavin Parikh - Chief Financial Officer<br>Mr. Bharat Samjinai Patel - Director<br>Mr. Yogesh Vaidya Kanhiyalal - Director<br>Mrs. Purvi Bhavik Shah - Director<br>Mr. Rajatkumar Dineshbhai Patel<br>Mr. Faruk Diwan - Company Secretary |
| Enterprises over which Key Management personnel having control or significant influence (With whom transactions have taken place) | Kunthunath Impex LLP (formerly known as Parikh Impex Pvt. Ltd.)<br>Globe Denwash Pvt Ltd<br>Easy Tax-O-Legal Services (India) Pvt. Ltd.<br>Easy Good Service Tax Online Dot Com Pvt. Ltd.<br>Globe Textfeb LLP<br>Parikh Hathisingh Ujamchand Sarvajani Sakhawati Trust                                    |

(b) Transactions with the Related Parties

| Particulars                                                            | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Director's remuneration</b>                                         |                                      |                                      |
| Bhavik Parikh                                                          | 5.35                                 | 39.67                                |
| Nilay Vora                                                             | 7.14                                 | 8.60                                 |
| Bhavin Parikh                                                          | 4.85                                 | 28.93                                |
| Faruk Diwan                                                            | 3.38                                 | 3.56                                 |
| <b>Reimbursement paid to Director's &amp; Key Managerial Personnel</b> |                                      |                                      |
| Faruk Diwan                                                            | 0.04                                 | -                                    |
| <b>Kunthunath Impex LLP (formerly known as Parikh Impex Pvt. Ltd.)</b> |                                      |                                      |
| Purchases                                                              | 51.09                                | 1,281.43                             |
| Sales                                                                  | -                                    | 1,828.77                             |
| <b>Globe Denwash Pvt Ltd</b>                                           |                                      |                                      |
| Purchase and Job work                                                  | 54.98                                | 860.70                               |
| Funds given                                                            | 845.76                               | 1,161.28                             |
| Funds received back                                                    | 973.15                               | 587.97                               |
| <b>Easy Good Service Tax Online Dot Com Pvt. Ltd.</b>                  |                                      |                                      |
| Purchase (Service)                                                     | -                                    | 1.75                                 |
| <b>Transactions with key management personnel</b>                      |                                      |                                      |
| Particulars                                                            | For the year ended<br>March 31, 2021 | For the year ended<br>March 31, 2020 |
| Short-term employee benefits                                           | 20.73                                | 80.76                                |
| Post employment benefits                                               | -                                    | -                                    |
| Other long-term employment benefits                                    | -                                    | -                                    |
| <b>Total compensation paid to key management personnel</b>             | <b>20.73</b>                         | <b>80.76</b>                         |

Balance outstanding

| Particulars                                                     | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------------------------------------|----------------------|----------------------|
| <b>Balances Payable</b>                                         |                      |                      |
| Bhavik Parikh                                                   | 43.87                | 8.55                 |
| Nilay Vora                                                      | 0.65                 | 0.64                 |
| Bhavin Parikh                                                   | 3.86                 | 4.23                 |
| Faruk Diwan                                                     | 0.31                 | 0.30                 |
| <b>Balances Receivables</b>                                     |                      |                      |
| Kunthunath Impex LLP (formerly known as Parikh Impex Pvt. Ltd.) | 63.79                | 950.65               |
| Globe Denwash Pvt Ltd                                           | 1.10                 | 190.39               |

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and on arms length basis. Outstanding balances at the year end are unsecured and settlement occurs in cash. No guarantees were given or received by the Company.

As the liabilities for defined benefit obligations and compensated absences are provided based on actuarial valuation for the company as a whole, the amount pertaining to Key management personnel has not been included.

**Notes to the financial statements for the year ended March 31, 2021**

(Rs. in lakhs)

**36 Operating Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is the Chief Executive Officer of the Company, who assesses the financial performance and position of the Company and makes strategic decisions. The Company's activities during the year revolve around Textile Manufacturing and Trading.

Considering the nature of Company's business, as well as based on reviews by CODM to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 - "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

| <b>37 Earnings in foreign currency</b> | <b>For the year ended<br/>March 31, 2021</b> | <b>For the year ended<br/>March 31, 2020</b> |
|----------------------------------------|----------------------------------------------|----------------------------------------------|
|----------------------------------------|----------------------------------------------|----------------------------------------------|

|                                 |          |           |
|---------------------------------|----------|-----------|
| Export of goods on F.O.B basis* | 5,917.28 | 12,920.14 |
|---------------------------------|----------|-----------|

\* F.O.B Value is determined on the basis of shipping bills.

| <b>38 Expenditure in foreign currency (on accrual basis)</b> | <b>For the year ended<br/>March 31, 2021</b> | <b>For the year ended<br/>March 31, 2020</b> |
|--------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|--------------------------------------------------------------|----------------------------------------------|----------------------------------------------|

|                     |              |               |
|---------------------|--------------|---------------|
| Bank Charges        | 11.37        | 16.18         |
| Commission expenses | 76.77        | 166.68        |
| <b>Total</b>        | <b>88.13</b> | <b>182.86</b> |

| <b>39 CIF Value of Imports</b> | <b>For the year ended<br/>March 31, 2021</b> | <b>For the year ended<br/>March 31, 2020</b> |
|--------------------------------|----------------------------------------------|----------------------------------------------|
|--------------------------------|----------------------------------------------|----------------------------------------------|

|               |              |               |
|---------------|--------------|---------------|
| Raw Materials | 17.66        | 76.96         |
| Capital Goods | -            | 59.47         |
| <b>Total</b>  | <b>17.66</b> | <b>136.43</b> |

**40 Corporate Social Responsibility Expenditure**

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The Company has spent the amount of Rs. 7.11 Lakhs (Previous Year : Rs Nil) during the financial year. The details of amount spent are as under.

| Sr No | Particulars      | Amount Incurred and Paid | Amount yet to be Incurred | Total       |
|-------|------------------|--------------------------|---------------------------|-------------|
| (i)   | Education Sector | 7.11                     | -                         | 7.11        |
|       | <b>Total</b>     | <b>7.11</b>              | <b>-</b>                  | <b>7.11</b> |

**41** After declaration of COVID-19 as pandemic by World Health Organization, its impact is already visible on multiple sectors in India and our Company is not an exception. The Management of the company has already carried out initial assessment of impact on business operations. This is a short-term disruption and company does not foresee medium to long term risks. The Company will continue as going concern and honour its financial commitments as and when they fall due for payment.

**42** No adjusting or significant non-adjusting events have occurred between 31st March, 2021 and the date of authorisation of the financial statements.

**43** The financial statements were reviewed and recommended by the Audit Committee and has been approved by the Board of Directors at their meeting held on June 30, 2021

**44** Previous year's figures have been regrouped and rearranged wherever necessary to confer to the current year's presentation.

**For SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
(Firm Registration No. - 118707W/W100724)

**For and on behalf of the Board of Directors of  
Globe Textiles (India) Limited**

**Karan Amlani**  
Partner  
(Membership No. - 193557)

**Bhavik Parikh**  
Managing Director  
DIN : 00038223

**Nilay Vora**  
Director  
DIN : 02158990

**Bhavik Parikh**  
Chief Financial Officer

**Faruk Diwan**  
Company Secretary  
M No : 41911

Place : Ahmedabad  
Date: June 30, 2021

Place : Ahmedabad  
Date: June 30, 2021

## NOTICE

Notice is hereby given that the **Twenty-sixth Annual General Meeting** of the Members of **Globe Textiles (India) Limited** will be held on **Thursday, September 30, 2021** at **04:00 p.m. IST** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following businesses:

### ORDINARY BUSINESSES:

1. **To consider and adopt the audited standalone financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon**

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

a) the audited standalone financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. **To appoint a Director in place of Mr. Nilaybhai J. Vora (DIN: 02158990) who retires by rotation and being eligible, offers himself for reappointment**

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

"**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Nilaybhai J. Vora (DIN: 02158990), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

### SPECIAL BUSINESS:

3. **To consider the appointment of Mr. Rajatkumar Dineshbhai Patel (DIN: 09124295) as an Independent Director**

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and recommendation of the Nomination and Remuneration Committee and the Board of Directors made in its respective meetings held on March 30, 2021, Mr. Rajatkumar Dineshbhai Patel (DIN: 09124295), who was appointed as an Additional Director of the Company in the Independent category, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, effective from March 30, 2021 and who

holds office upto the date of the ensuing Annual General Meeting, and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of three consecutive years with effect from March 30, 2021 to March 29, 2024 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.

**4. Re-appointment of Mr. Bhavik Suryakant Parikh (DIN: 00038223) as a Chairman & Managing Director for the period of three years**

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

**RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors made in its respective meetings held on August 14, 2021 and the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V to the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Bhavik Suryakant Parikh (DIN: 00038223), as a Chairman and Managing Director of the Company, for a period of 3 years effective from August 14, 2021, and the office of Chairman and Managing Director shall not be liable to retire by rotation, and the remuneration payable to Mr. Bhavik Suryakant Parikh during the tenure of re-appointment, shall be as follows:

**Period**

For a period of 3 years from August 14, 2021.

**Salary**

Upto Rs. 4,00,000/- (Rupees Four Lakhs) per months which is eligible for revision from time to time.

**Perquisites**

The Chairman and Managing Director shall be entitles to all the perquisites listed herein below in addition to the salary mentioned above:

**I. Medical Reimbursement**

Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalisation, surgical charges, nursing charges and domiciliary charges for self and for family.

**II. Leave Travel Concession**

For self and family, every year incurred in accordance with the rules of the Company.

**III. Club Fees**

Fees of club, subject to maximum of three clubs.

**IV. Personal Accident Insurance / Group Life Insurance**

Premium shall not to exceed Rs. 7200/- per annum.

**V. Provident Fund / Pension**

Contribution to Provident Fund and Pension Fund to the extent such contributions, either together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.

**VI. Gratuity**

Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act and to the extent not taxable under the Income Tax Act.

**VII. Use of Car with Driver**

The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased / rented to, the Chairman and Managing Director for business and personal use.

**VIII. Telephone Facility at residence**

Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company to the Chairman and Managing Director.

**Duties**

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Chairman and Managing Director shall be entrusted with substantial power of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

**Termination**

Chairman and Managing Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Chairman and Managing Director may resign from his office by giving 90 days' notice to the Company.

**Compensation**

In the event of termination of office of Chairman and Managing Director takes place before the expiration of tenure thereof, Managing Director of the Company shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under Section 202 of the Companies Act, 2013.

**Other terms and conditions**

- a) In the event of absence of inadequacy of profits in any financial year during the tenure of the Managing Director, Salary and Perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.
- b) "Family" means the spouse and dependent children of Mr. Bhavik Suryakant Parikh.
- c) Leave with full pay and allowance shall be allowed as per the Company's rules.
- d) Reimbursement of entertainment expense actually and properly incurred in the course of business of the Company shall be allowed.

- e) No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors of Committees thereof.
- f) The perquisites as listed above shall be valued as per Income Tax Rules, 1962, as may be applicable.

**RESOLVED FURTHER THAT** pursuant to Sections 203 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Bhavik Suryakant Parikh, be and is hereby designated as Key Managerial Personnel of the Company.

**RESOLVED Further That** the Board of Directors be and are hereby authorized severally to do and perform all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to give effect to the aforesaid resolution.”

**5. Re-appointment of Mr. Nilaybhai Jagdishbhai Vora (DIN: 02158990) as a Whole-time Director for the period of three years**

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

**RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors made in its respective meetings held on August 14, 2021 and the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V to the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Nilaybhai Jagdishbhai Vora (DIN: 02158990), as a Whole-time Director of the Company, for a period of 3 years effective from August 14, 2021, and the office of Whole-time Director shall be liable to retire by rotation, and the remuneration payable to Mr. Nilaybhai Jagdishbhai Vora during the tenure of re-appointment, shall be as follows:

**Period**

For a period of 3 years from August 14, 2021.

**Salary**

Upto Rs. 1,00,000/- (Rupees One Lac) per months which is eligible for revision from time to time.

**Perquisites**

The Whole-time Director shall be entitles to all the perquisites listed herein below in addition to the salary mentioned above:

**IX. Medical Reimbursement**

Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalisation, surgical charges, nursing charges and domiciliary charges for self and for family.

**X. Leave Travel Concession**

For self and family, every year incurred in accordance with the rules of the Company.

**XI. Club Fees**

Fees of club, subject to maximum of three clubs.

**XII. Personal Accident Insurance / Group Life Insurance**

Premium shall not to exceed Rs. 7200/- per annum.

**XIII. Provident Fund / Pension**

Contribution to Provident Fund and Pension Fund to the extent such contributions, either together are exempt under the Income Tax Act, 1961. Contribution to Pension Fund will be paid on basic salary and commission.

**XIV. Gratuity**

Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act and to the extent not taxable under the Income Tax Act.

**XV. Use of Car with Driver**

The Company shall provide a car with driver for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased / rented to, the Whole-time Director for business and personal use.

**XVI. Telephone Facility at residence**

Telephone facility shall be provided at the residence. All personal long distance calls shall be billed by the Company to the Whole-time Director.

**Duties**

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Whole-time Director shall be entrusted with HRD, procurements and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.

**Termination**

Whole-time Director may be removed from his office for gross negligence, breach of duty or trust if a Special Resolution to that effect is passed by the Company in its General Meeting. The Whole-time Director may resign from his office by giving 90 days' notice to the Company.

**Compensation**

In the event of termination of office of Whole-time Director takes place before the expiration of tenure thereof, Whole-time Director of the Company shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under Section 202 of the Companies Act, 2013.

**Other terms and conditions**

- g) In the event of absence of inadequacy of profits in any financial year during the tenure of the Whole-time Director, Salary and Perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013.
- h) "Family" means the spouse and dependent children of Mr. Nilaybhai Jagdishbhai Vora.
- i) Leave with full pay and allowance shall be allowed as per the Company's rules.
- j) Reimbursement of entertainment expense actually and properly incurred in the course of business of the Company shall be allowed.

- k) No sitting fees shall be paid to the Whole-time Director for attending the meetings of the Board of Directors of Committees thereof.
- l) The perquisites as listed above shall be valued as per Income Tax Rules, 1962, as may be applicable.

**RESOLVED FURTHER THAT** pursuant to Sections 203 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Nilaybhai Jagdishbhai Vora, be and is hereby designated as Key Managerial Personnel of the Company.

**RESOLVED Further That** the Board of Directors be and are hereby authorized severally to do and perform all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to give effect to the aforesaid resolution.”

#### 6. Approval of Loans, Investments, Guarantee or Securities under Section 185 of the Companies Act, 2013

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

“**RESOLVED THAT** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made there under as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken upto an aggregate sum of ₹ 100 Crores (Rupees One Hundred Crores Only) to the entities / person as stated under in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

| Name of the entity            | Constitution of entity / person | Relation with the Company / Directors                                                                                                                 |
|-------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Globe Denwash Private Limited | Private Limited Company         | Mr. Bhavik Parikh, Managing Director, Mr. Bhavin Parikh, CEO/CFO and Mr. Nilay Vora, Whole-time Director are the Directors and Member of the Company. |

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

#### 7. To approve material related party transactions to be entered into by the Company with related parties

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

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with Company’s policy on materiality of and dealing with Related Party transaction and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors of the Company to enter into a contract(s)/ Transaction(s)/ arrangement(s) with the related parties as mentioned below within the meaning of Sec 2(76) of the Act and Reg 2(1)(zb) of Listing Regulations, for such transactions as given in the explanatory statement on such terms and conditions as Board may deem fit, upto a maximum aggregate amount in each financial year as mentioned below for the for a period of 3 years w.e.f FY 2021-22, provided that contract(s)/ Transaction(s)/ Arrangement(s) so carried out shall at all times be in the ordinary course of Company’s business and also at arm’s length basis.”

| <b>Sr. No.</b> | <b>Name of the related Party</b> | <b>Maximum aggregate amount in each financial year (Rs. In Crores)</b> |
|----------------|----------------------------------|------------------------------------------------------------------------|
| 1              | Globe Denwash Private Limited    | 100.00                                                                 |
| 2              | Kunthunath Impex LLP             | 50.00                                                                  |

**“RESOLVED FURTHER** that the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time be authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Directors of the Company or to any one or more Directors of the Company as it may consider appropriate in order to give effect to this resolution.”

**Registered Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 14/08/2021  
Place: Ahmedabad

By Order of the Board of Directors  
**For, GLOBE TEXTILES (INDIA) LIMITED**

Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic” and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid-19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
3. A statement pursuant to Section 102(1) of the Act, relating to the Special Businesses to be transacted at the AGM is annexed hereto.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
7. In terms of the provisions of Section 152 of the Act, Mr. Nilaybhai Jagdishbhai Vora, Whole-time Director retires by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend her re-appointment.
8. Mr. Nilaybhai Jagdishbhai Vora is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to her re-appointment.

9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Bigshare Services Private Limited ("Bigshare") at A-802, Samudra Complex, Nr. Girish Cold Drinks, Off. C. G. Road Navrangpura , Ahmedabad – 380 009, Phone: 079-40024135, Email: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com) for assistance in this regard.

#### **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

10. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the 26<sup>th</sup> Annual General Meeting along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.globetextiles.net](http://www.globetextiles.net), websites of the Stock Exchange, i.e., The National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com).

#### **11. For receiving all communication (including Annual Report) from the Company electronically:**

- a) Members holding shares in physical mode and who have not registered/ updated their email address, Bank particulars, Residential status or request for transmission of shares including its changes etc. with the Company, are requested to register/ update the same by writing a request letter to the Company with details of folio number and attaching a self-attested copy of PAN card, passbook/ cancelled cheque etc. at [cs@globetextiles.net](mailto:cs@globetextiles.net) or to Share Transfer Agent of the Company "Bigshare".
  - b) Members holding shares in electronic form are advised to send their request for updating items including changes, to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form.
12. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2021. Members seeking to inspect such documents can send an email to [cs@globetextiles.net](mailto:cs@globetextiles.net).

14. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/ authorization letter to the Company's email id: [cs@globetextiles.net](mailto:cs@globetextiles.net).

**THE INSTRUCTIONS FOR REMOTE E-VOTING/E-VOTING AND ATTENDING AGM THROUGH VC/OVAM ARE AS UNDER:**

**15. VOTING THROUGH ELECTRONIC MEANS:**

- a) In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time together with relevant clauses in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members the facility to exercise their right to vote at the 26<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- b) In terms of SEBI circular no SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

| Type of shareholders                                               | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with CDSL | <p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the</p> |

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

|                                |                                                                         |
|--------------------------------|-------------------------------------------------------------------------|
| <b>Depository Participants</b> | e-Voting period or joining virtual meeting & voting during the meeting. |
|--------------------------------|-------------------------------------------------------------------------|

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

- c) The facility for e-voting will also be made available during the AGM and the Shareholders attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote through the e-voting system during the AGM. The Shareholders who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again. **“Remote e-voting”** means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.
- d) The remote e-voting period commences on Monday, September 27, 2021 at 9:00 A.M. and ends on Wednesday, September 29, 2021 at 5:00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, September 23, 2021 (“the cut-off date”) may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- e) The voting rights of the Shareholders shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. September 23, 2021 and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only. In case of joint holders, only such joint holder who is named first in the order of names will be entitled to vote.
- f) The Board of Directors of the Company has appointed Mr. Jatin H. Kapadia, Practising Company Secretary (Membership No. ACS: 26725; COP No: 12043), as Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner.
- g) Members have an option to vote either Remote e-voting (availing the services provided by CDSL) OR by e-voting at the time of AGM. If members have cast their vote through remote e-voting, then they should not cast their vote at the meeting but they can attend meeting. However, if a member has voted through Remote e-voting and has again voted at the meeting, then the voting done through Remote e-voting shall prevail and voting done at the meeting shall be treated as invalid. Members attending meeting through VC/ OAVM who have not already cast their vote by remote e-voting shall be able to exercise their right at the time of AGM.
- h) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evotingindia.com/> under help section or write to Mr. Rakesh Dalvi, Manager with email id: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and contact Helpdesk: 18002005533/ 022-22723333.
- i) Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

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

#### A. LOGIN METHOD FOR EVOTING AND JOINING VIRTUAL MEETINGS FOR PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING IN DEMAT FORM

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

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

- 7) After entering these details appropriately, click on “SUBMIT” tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN of the Company – **GLOBE TEXTILES (INDIA) LIMITED** on which you choose to vote.
- 11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- 13) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 18) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@globetextiles.net](mailto:cs@globetextiles.net), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders:- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id: [cs@globetextiles.net](mailto:cs@globetextiles.net) & [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com).
- For Demat shareholders:- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id: [cs@globetextiles.net](mailto:cs@globetextiles.net) & [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com).

**B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:**

- 1) Only those persons who are Members of the Company as on the cut-off date i.e. September 23, 2021 will be able to attend the AGM through VC/OAVM and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- 2) Members will be able to attend the AGM through VC/ OAVM at the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
- 3) Facility of joining the AGM through VC/OAVM shall be opened 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility will be available for Members on first come first served basis.
- 4) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience
- 5) For better experience, we recommend that you join the session with high-speed wired internet connectivity. This prevents Wi-Fi dropouts and speed issues.
- 6) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 7) For ease of conduct, members who would like to ask questions may send their questions in advance at least (7) days before AGM mentioning their name, demat account number/folio number, email id, mobile number at [cs@globetextiles.net](mailto:cs@globetextiles.net) and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.

**C. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -**

- 1) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 2) Only those Members, who are present in the AGM through VC/ OAVM facility and have not cast their vote on the Resolution(s) through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 3) If any votes are cast by the Members through e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
- 4) Members who have voted through Remote e-Voting will be eligible to attend the AGM however; they will not be able to vote at the AGM.

**DECLARATION OF VOTING RESULTS**

16. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e voting and make not later than 2 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman and/or Director or a person authorized by him in writing who shall counter sign the same.
17. The results shall be declared forthwith upon receipt of the Scrutinizer's Report. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.globetextiles.net](http://www.globetextiles.net), its Notice Board and on the website of CDSL and communicated to the stock exchanges where shares of the Company are listed.

## GENERAL INSTRUCTIONS

18. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Share Transfer Agents.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar and Share Transfer Agent (RTA).
20. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-13 to the RTA of the Company. Further, members desirous of cancelling/varying nomination pursuant to Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14 to the RTA of the Company. These forms will be made available on request.

## CONTACT DETAILS

|                                           |                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company</b>                            | <b>GLOBE TEXTILES (INDIA) LIMITED</b>                                                                                                                                                                                                                                                                                               |
| <b>CIN</b>                                | L65910GJ1995PLC027673                                                                                                                                                                                                                                                                                                               |
| <b>Registered Office</b>                  | Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad – 380008                                                                                                                                                                                                                                                         |
| <b>Phone</b>                              | 079-2293 1881 to 1885                                                                                                                                                                                                                                                                                                               |
| <b>Email</b>                              | <a href="mailto:cs@globetextiles.net">cs@globetextiles.net</a>                                                                                                                                                                                                                                                                      |
| <b>Registrar and Share Transfer Agent</b> | <b>Bigshare Services Private Limited</b><br>A-802, Samudra Complex, Near Klassic Gold Hotel,<br>Off C.G Road, Navrangpura, Ahmedabad – 380009<br>Phone: 079-40024135<br>Email : <a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a><br>Web: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> |
| <b>E-voting Agency</b>                    | <b>Central Depository Services (India) Limited</b><br>Email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a><br>Phone: 022-22723333/8588                                                                                                                                                         |
| <b>Scrutinizer</b>                        | <b>M/s. K. Jatin &amp; Co.,</b><br>307, Abhijyot Square, B/h. Divya Bhaskar House,<br>S. G. High-Way, Ahmedabad – 380 051<br>Tel. No.: 079 – 4894 4655<br>Email: <a href="mailto:cskjco@gmail.com">cskjco@gmail.com</a><br>COP: 12043<br>ACS: 26725                                                                                 |

**STATEMENT SETTING OUT MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (THE ACT), SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (THE LISTING REGULATIONS)**

**Item No. 3**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on March 30, 2021, appointed Mr. Rajatkumar Dineshbhai Patel (DIN: 09124295), as an Additional Director under Section 161(1) of the Act, in the Independent category, for a period of three years effective from March 30, 2021. Mr. Rajatkumar Dineshbhai Patel, shall hold office upto the date of the ensuing Annual General Meeting and is eligible for appointment as Independent Director.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Rajatkumar Dineshbhai Patel for the office of Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director in Form DIR-2. The Company has received a declaration from him stating that he has not been debarred from holding the office of Director pursuant to any SEBI Order and meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Rajatkumar Dineshbhai Patel fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management and possesses appropriate skills, experience and knowledge.

Mr. Rajatkumar Dineshbhai Patel is having good knowledge of accounts, audit, finance and taxation and having more than three years of experience in this field. The Board is of the opinion that the Company would benefit immensely from his professional experience and expertise.

In terms of Section 160 of the Act, the Company has received a notice in writing from one of the members proposing the candidature of Mr. Rajatkumar Dineshbhai Patel for appointment.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Statement setting out material facts.

Except Mr. Rajatkumar Dineshbhai Patel, who is seeking appointment, and his relatives, no other Director and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice of the AGM. This Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends passing of the resolution as set out at item no. 3 of the Notice of the AGM as an Ordinary Resolution.

**Item No. 4**

Mr. Bhavik Suryakant Parikh appointed as a Chairman and Managing Director of the Company for a period of five years effective from February 28, 2017. He is on the Board since on April 03, 2012. He holds a degree of Bachelor of Science from the City University of New York. He is actively engaged in managing the company since his appointment as a Director. He has more than 25 years of experience in the textile industry. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

Considering his contribution to the growth trajectory of the Company, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on August 14, 2021, re-appointed Mr. Bhavik Suryakant Parikh, as a Chairman and Managing Director, for a period of three years effective from August 14, 2021, subject to the approval of members of the Company at the 26<sup>th</sup> Annual General Meeting. The office of directorship of Mr. Bhavik Suryakant Parikh, shall not be liable to retire by rotation. He is not entitled for sitting fee for attending the meetings of the Board or Committees thereof.

Brief resume of Mr. Bhavik Suryakant Parikh, along with disclosures required under the Listing Regulations and Secretarial Standard – 2 on General Meeting issued by the Institute of Company Secretaries of India, is given in the Annexure accompanying this Notice. Directors seek the approval of the members for re-appointment of Mr. Bhavik Suryakant Parikh, as a Chairman and Managing Director by way of passing a Special Resolution. Accordingly, the Board of Directors recommend passing of the Special Resolution contained at item no.4 of the accompanying Notice.

Other than Mr. Bhavik Suryakant Parikh, Mr. Bhavin Parikh and Mrs. Purvi Parikh and their relatives, no other Director and Key Managerial Personnel including their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at item no. 4 of the accompanying Notice.

**Item No. 5**

Mr. Nilaybhai Jagdishbhai Vora was originally appointed on Board on March 31, 2008 and further designed as a Whole-time Director of the Company for a period of five years effective from February 28, 2017. He holds a degree of Bachelor of Commerce from the Gujarat University. He is entrusted with the responsibility to look after the marketing of our Company. He is young and dynamic person, having more than 18 years of experience in textile industry and he is presently looking into the marketing and production related matters of the Company.

Considering his contribution to the growth trajectory of the Company, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on August 14, 2021, re-appointed Mr. Nilaybhai Jagdishbhai Vora, as Whole-time Director, for a period of three years effective from August 14, 2021, subject to the

approval of members of the Company at the 26<sup>th</sup> Annual General Meeting. The office of directorship of Mr. Nilaybhai Jagdishbhai Vora shall be liable to retire by rotation. He is not entitled for sitting fee for attending the meetings of the Board or Committees thereof.

Brief resume of Mr. Nilaybhai Jagdishbhai Vora, along with disclosures required under the Listing Regulations and Secretarial Standard – 2 on General Meeting issued by the Institute of Company Secretaries of India, is given in the Annexure accompanying this Notice. Directors seek the approval of the members for re-appointment of Mr. Nilaybhai Jagdishbhai Vora, as Whole-time Director by way of passing a Special Resolution. Accordingly, the Board of Directors recommend passing of the Special Resolution contained at item no. 5 of the accompanying Notice.

Other than Mr. Nilaybhai Jagdishbhai Vora and his relatives, no other Director and Key Managerial Personnel including their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at item no. 5 of the accompanying Notice.

#### Item No. 6

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to:

| Name of the entity            | Constitution of entity / person | Relation with the Company / Directors                                                                                                                 |
|-------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Globe Denwash Private Limited | Private Limited Company         | Mr. Bhavik Parikh, Managing Director, Mr. Bhavin Parikh, CEO/CFO and Mr. Nilay Vora, Whole-time Director are the Directors and Member of the Company. |

In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan or give guarantee or provide security in respect of loans taken, for their principal business activities to the entities/person stated above.

The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities. Hence, in order to enable the company to advance loan to above stated entities/person in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

The Board of Directors Recommend the Special Resolution set out at Item No. 6 for approval by the members.

None of Directors except, Mr. Bhavik Suryakant Parikh, Mr. Nilaybhai Jagdishbhai Vora, Mr. Bhavin Suryakant Parikh & Mrs. Purvi Bhavin Parikh along with their relatives are interested in the said resolution except to the extent of their Shareholding.

#### Item No. 7

Your Company is involved in the business of purchase/sale of garments, fabrics and garments washing job work contracts with M/s. Globe Denwash Private Limited, the Company promoted by Mr. Bhavik Parikh, Mr. Bhavin Parikh and Mr. Nilaybhai Vora, Managing Director, CEO & CFO and Whole-time Director of this Company respectively. Further, your Company is also involved in the business of purchase/sale of fabrics, garments and job work contracts with M/s. Kunthunath Impex LLP, the LLP promoted by Mr. Bhavin Parikh and Mrs. Purvi Parikh, CEO & CFO and Director of this Company respectively. The transactions enter into / to be entering into with both of these related parties are in ordinary course of business.

Your company has noted that M/s. Globe Denwash Private Limited and M/s. Kunthunath Impex LLP fall under the category of related parties of the Company in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified and amended from time to time. The provisions of this regulation read with Policy on Related Party Transactions approved and notified by the Board of Directors of the Company consider a transaction with a related party material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the Annual consolidated turnover of the company as per the last audited financial statements of the Company. Further, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time require all material related party transactions to be approved by the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

The Company envisages that the transactions entered into with M/s. Globe Denwash Private Limited and/or M/s. Kunthunath Impex LLP whether individually and/or in aggregate would exceed the stipulated threshold limit, therefore requires the approval of the shareholders by special resolution for entering into such transaction(s)/ Contract(s)/ arrangement(s) with M/s. Globe Denwash Private Limited and/or M/s. Kunthunath Impex LLP upto a maximum amount as mentioned in the resolution in each financial year from the FY 2021-22 for a period of 3 years.

All related parties shall abstain from voting on this resolution.

The relevant information is as follows:

| Name of Related Parties                                                      | Globe Denwash Private Limited                                                                                        | Kunthunath Impex LLP                                                                                             |
|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>Name of the Director or KMP who is related and Nature of relationship</b> | Mr. Bhavik Parikh, Mr. Bhavin Parikh & Mr. Nilay Vora are Directors and Shareholders in the Company                  | Mrs. Purvi Parikh and Mr. Bhavin Parikh are Designated Partners in LLP                                           |
| <b>Monetary Value</b>                                                        | The estimated aggregate contract value for the matters proposed in the resolution shall not exceed Rs. 100 Crores in | The estimated aggregate contract value for the matters proposed in the resolution shall not exceed Rs. 50 Crores |

|                                                                                                                  |                                                                                                                                                          |                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                  | each financial year for 3 consecutive years.                                                                                                             | in each financial year for 3 consecutive years.                                                                                                          |
| <b>Nature, material terms and particulars of arrangements</b>                                                    | Purchase and sale of all type of fabrics, garments, job work contracts and other arrangements incidental thereto and relating to the job work contracts. | Purchase and sale of all type of fabrics, garments, job work contracts and other arrangements incidental thereto and relating to the job work contracts. |
| <b>Any advance paid or received for the arrangement if any</b>                                                   | As per industry norms, custom and uses                                                                                                                   | As per industry norms, custom and uses                                                                                                                   |
| <b>Tenure of Contract</b>                                                                                        | 3 years w.e.f. FY 2021-22                                                                                                                                | 3 years w.e.f. FY 2021-22                                                                                                                                |
| <b>Any other information relevant or important for the members to take a decision on the proposed resolution</b> | Nil                                                                                                                                                      | Nil                                                                                                                                                      |

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on March 30, 2021 have approved the proposed arrangements with the Related Parties i.e. M/s. Globe Denwash Private Limited and M/s. Kunthunath Impex LLP and have also decided to seek approval of shareholders by way of special resolution pursuant to section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

None of Directors except, Mr. Bhavik Suryakant Parikh, Mr. Nilaybhai Jagdishbhai Vora, Mr. Bhavin Suryakant Parikh & Mrs. Purvi Bhavin Parikh along with their relatives are interested in the said resolution except to the extent of their Shareholding.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Shareholders.

**Registered Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 14/08/2021  
Place: Ahmedabad

By Order of the Board of Directors

**For, GLOBE TEXTILES (INDIA) LIMITED**

Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)

## ANNEXURE TO THE NOTICE

### BRIEF PROFILE OF DIRECTOR RETIRE BY ROTATION / SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 26<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY

(In pursuance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

| Name of Director                                             | Mr. Rajatkumar Dineshbhai Patel                                                                                                                                                                                                                        | Mr. Nilaybhai Jagdishbhai Vora                                                                                                                                                                                                                                                                                                                                                                     | Mr. Bhavik Suryakant Parikh                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                          | 09124295                                                                                                                                                                                                                                               | 02158990                                                                                                                                                                                                                                                                                                                                                                                           | 00038223                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Date of Birth                                                | July 19, 1995                                                                                                                                                                                                                                          | November 30, 1985                                                                                                                                                                                                                                                                                                                                                                                  | November 12, 1972                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Date of Appointment / Re-Appointment / Change in Designation | March 30, 2021                                                                                                                                                                                                                                         | August 14, 2021                                                                                                                                                                                                                                                                                                                                                                                    | August 14, 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Qualification and Expertise in Specific functional area      | <p>Mr. Rajatkumar Dineshbhai Patel is a Bachelor of Computer Application from Gujarat University. He also has good experience of accounts, audit, taxation and finance and having more than 3 years of experience in the audit and taxation field.</p> | <p>Mr. Nilaybhai Jagdishbhai Vora holding the degree of Bachelor of Commerce from the Gujarat University. He is entrusted with the responsibility to look after the marketing of our Company.</p> <p>He is young and dynamic person, having more than 18 years of experience in textile industry and he is presently looking into the marketing and production related matters of the Company.</p> | <p>Mr. Bhavik Suryakant Parikh is Chairman and Managing Director and also the Promoter of our Company. He holds a degree of Bachelor of Science from the City University of New York.</p> <p>He is actively engaged in managing the company since his appointment as a Director. He has more than 25 years of experience in the textile industry. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.</p> |
| Terms and Conditions of appointment                          | As per the resolution at Item No. 3 of the Notice convening this Meeting read with explanatory statement thereto                                                                                                                                       | As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto                                                                                                                                                                                                                                                                                   | As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

|                                                                                     |                                                                                                                  |                                                                                                                  |                                                                                                                                              |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Remuneration Last Drawn</b>                                                      | Not Applicable                                                                                                   | Rs. 5.35 Lakhs                                                                                                   | Rs. 7.14 Lakhs                                                                                                                               |
| <b>Remuneration proposed to be paid</b>                                             | As per the resolution at Item No. 3 of the Notice convening this Meeting read with explanatory statement thereto | As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto | As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto                             |
| <b>Directorships of other Boards as on March 31, 2021</b>                           | Nil                                                                                                              | Globe Denwash Private Limited<br><br>Naminath Prohouse Private Limited                                           | Globe Denwash Private Limited                                                                                                                |
| <b>Membership / Chairmanship of Committees of other Boards as on March 31, 2021</b> | Nil                                                                                                              | Nil                                                                                                              | Nil                                                                                                                                          |
| <b>Shareholding in the Company as on March 31, 2021</b>                             | Nil                                                                                                              | 12,04,000 Equity Shares                                                                                          | 23,58,860 Equity Shares                                                                                                                      |
| <b>Relationship with other Directors / Key Managerial Personnel</b>                 | None                                                                                                             | None                                                                                                             | Mr. Bhavik Suryakant Parikh is a brother of Mr. Bhavin Suryakant Parikh (CEO & CFO) & brother-in-law of Mrs. Purvi Bhavin Parikh (Director). |
| <b>Number of meetings of the Board attended during the financial year (2020-21)</b> | Not Applicable                                                                                                   | Seven (7)                                                                                                        | Seven (7)                                                                                                                                    |

**Registered Office:**

Plot No. 38 to 41, Ahmedabad Apparel Park,  
GIDC Khokhra, Ahmedabad,  
Gujarat – 380 008  
Date: 14/08/2021  
Place: Ahmedabad

By Order of the Board of Directors  
**For, GLOBE TEXTILES (INDIA) LIMITED**

Bhavik Suryakant Parikh  
Chairman & Managing Director  
(DIN: 00038223)



## Globe Textiles (India) Limited

Regd. Office: Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC, Khokhra, Ahmedabad - 380008

CIN: L65910GJ1995PLC027673

Phone: +91 79 2644 1880 | Email: [cs@globetextiles.net](mailto:cs@globetextiles.net) | Website: [www.globetextiles.net](http://www.globetextiles.net)