STATEMENT OF ACCOUNT

FOR THE YEAR ENDED ON

31st MARCH, 2019.

OF

GLOBALE TESSILE PVT LTD

18, Jahanvi Bungalows, Near Baugban Party Plot, Shilaj Road, Thaltej, Ahmedabad. Phone: 079 - 40027531 E-mail: ca.bmjain@gmail.com

Branch: 302, Kaling Complex, Near Mount Carmel School, Ashram Road, Ahmedabad, Ph: 079-26583107, 40060308 E-mail: ca.bmjco@gmail.com

Branch: 201, Sunder Park, Plot 95, Sector - 8, Tagore Road, Gandhidham (Kutch), Phone: 02836 - 228236

CA

Bhanwar Jain & Co.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
GLOBALE TESSILE PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **GLOBALE TESSILE PRIVATE LIMITED** ("the Company"), which comprise of the Balance Sheet as at March 31, 2019 and the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Reporting of Key Audit Matters as per SA 701 are not applicable to the company as it is an unlisted company.

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Information other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report including the Annexures to the Directors' report. but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

i) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial control 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.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

iv) 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

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related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 Financial Statements of the current period 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 the section 143 of the Act, we give in the **Annexure"A"**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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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, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under

   (e) On the basis of written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 control, refer to our separate report in the **Annexure-B** . Our report expresses an unmodified opinion.

   (g) 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 / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according the explanations given to us:

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i. The company has disclosed the impact of pending litigations on its financial position in its Financial Statements .

ii. The company has made provision, as required under the applicable law or IND AS, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2019.

For BHANWAR JAIN & CO.,
Chartered Accountants.
(Registration No. 117340W)

(B. M. JAIN)
Partner.
M. No. 034943
Ahmedabad: 23rd May,2019.

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

1) The Company has no fixed assets during the year.

2) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanation given to us and as examined by us, no material discrepancies were noticed on such verification.

3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, investments, guarantees, and security as applicable.

5) 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.

6) According to the information and explanation given to us, the maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the company during the year.

7) In respect of Statutory dues:

   (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were in arrears as at March 31, 2019 for a period of more than six months from the date they become payable.

   b) According to the information and explanation given to us, there are no dues of Income tax, sales tax, goods & service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.

8) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from banks, financial institution and the government and has not issued any debentures during the year. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.

9) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or fraud on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided during the year.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013.

14) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

16) 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 to the Company.

For BHANWAR JAIN & CO.,
Chartered Accountants
(Firm's Registration No. 117340W)

(B M Jain)
Partner
(Membership No. 034943)
AHMEDABAD: 23rd May,2019.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" of our report of even date)

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

We have audited the internal financial controls over financial reporting of **GLOBALE TESSILE PRIVATE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls.
The Company's management is responsible for establishing and maintaining internal financial controls based on 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 (ICAI). 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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.. 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 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For BHANWAR JAIN & CO.,
Chartered Accountants
(Firm's Registration No.:117340W)

(B.M. JAIN)
Partner
Membership No.: 034943
Ahmedabad: 23rd May, 2019.

GLOBALE TESSILE PVT. LTD.

BALANCE SHEET AS AT 31ST MARCH 2019

	Notes	As at 31-Mar-19	As at 31-Mar-18
ASSETS			
Non-current assets			
Property, plant and equipment			—
Capital work-in-progress			—
Intangible assets			—
Financial assets			—
Investments			—
Loans			—
Other financial assets			—
Other non-current assets	1	5445	7260
Total non-current assets		5445	7260
Current assets			
Inventories	2	8417243	—
Financial assets			
Investments		—	—
Trade receivables	3	7560514	—
Cash and cash equivalents	4	1175396	492630
Bank balances other than cash and cash equivalents		—	—
Loans		—	—
Other financial assets	5	120108	—
Other current assets	6	454056	—
Total current assets		17727317	492630
TOTAL ASSETS		17732762	499890
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	500000	500000
Other equity	8	269900	-15610
Total equity		769900	484390
Liabilities			
Non-current liabilities			
Financial liabilities			—
Borrowings	9	14268005	10500
Other financial liabilities		—	—
Provisions		—	—
Deferred Tax Liabilities (Net)		—	—
Other non-current liabilities		—	—
Total non-current liabilities		14268005	10500
Current liabilities			
Financial liabilities			
Borrowings		—	—
Trade payables	10	2462933	—
Other financial liabilities	11	137094	5000
Other current liabilities		—	—
Provisions		—	—
Current tax liabilities (net)	12	94830	—
Total current liabilities		2694857	5000
TOTAL LIBILITIES		16962862	15500
TOTAL EQUITIES AND LIABILITIES		17732762	499890

Summary of significant accounting policies

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

As per our report of even date	
For BHANWAR JAIN & CO.	
Chartered Accountants.	**Jeetmal B. Parekh**
Firm Registration No. : 117340W	**Director.**
	(DIN NO. 00512415)
	Himmatsingh Rathore
(B. M. JAIN)	**Director.**
Partner	**(DIN 02336622)**
Membership No. : 034943	
AHMEDABAD: 23rd May, 2019	**AHMEDABAD: 23rd May, 2019**

GLOBALE TESSILE PVT. LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	For the year ended 31st March 2019	For the year ended 31st March 2018
Income			
Revenue from operations	13	13226780	---
Other income	14	461352	---
Total income		13688132	0
Expenses			
Cost of material consumed and Trading Purchase	15	9174293	---
Changes in inventories of finished goods, stock-in-trade and work-in-progress	16	-1018012	---
Manufacturing & Operating Costs	17	3494464	---
Employee benefits expense	18	900000	---
Finance costs	19	438374	295
Other expenses	20	318673	15315
Total expenses		13307792	15610
Profit/(Loss) before tax		380340	-15610
Income tax expense			
Current tax		94830	---
Deferred tax			---
Total income tax expense		94830	---
Profit/(Loss) for the year		285510	-15610
Other comprehensive income		---	---
Re-measurement gains/ (losses) on post employment defined benefit plan		---	---
Total other comprehensive income for the year		---	---
Earnings / (Loss) per share			---
Basic earnings /(loss) per share (INR)		5.71	-0.31
Diluted earnings /(loss) per share (INR)		5.71	-0.31

Summary of significant accounting policies

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

As per our report of even date

For BHANWAR JAIN & CO.
Chartered Accountants.
Firm Registration No. : 117340W

(B. M. JAIN)
Partner
Membership No. : 034943
AHMEDABAD: 23rd May, 2019

Jeetmal B. Parekh
Director.
(DIN NO. 00512415)

Himmatsingh Rathore
Director.
(DIN 02336622)

AHMEDABAD: 23rd May, 2019

GLOBALE TESSILE PVT. LTD.

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

1	**Other non-current assets**	As at 31 March 2019	As at 31 March 2018
	Non Financial Assets		
	(Unsecured and considered good)		
	Preliminary Expenses (To the Extent not W/off)	5445	7260
	Total	5445	7260

2	**Inventories**	As at 31 March 2019	As at 31 March 2018
	(As verified, valued & certified by management)	0	
	Raw Materials (including goods in transit)	7399231	
	Finished Goods	1018012	
		8417243	0

3	**Trade Receivables**	As at 31 March 2019	As at 31 March 2018
	Trade Receivables	7560514	
		7560514	0

4	**Cash and cash equivalents**	As at 31 March 2019	As at 31 March 2018
	Balances with banks		
	On current accounts	1158905	491705
	Cash on hand	16491	925
	Total cash and cash equivalents	1175396	492630

5	**Other Financial Assets**	As at 31 March 2019	As at 31 March 2018
	Accrued Income	120108	
		120108	0

6	Other Current Assets	As at 31 March 2019	As at 31 March 2018
	Balance with Statutory Authorities	454056	
		454056	0

7	Equity Share Capital	As at 31 March 2019	As at 31 March 2018
	Authorized		
	50000 Equity Shares of Rs. 10 each	500000	500000
		500000	500000
	Issued, subscribed and paid up		
	50000 Equity Shares of Rs. 10 each	500000	500000
	Total	500000	500000

a. **Rights, preferences and restrictions attached to shares:**

Equity Shares:

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding. However, no such preferential amounts exist currently.

b. **Reconciliation of the number of shares:** **(Amount in Rs.)**

Equity Shares	As at March 31,2019		As at March 31,2018	
	No. of shares	Amt. in Rs.	No. of shares	Amt. in Rs.
Opening Balance	50000	500000	--	--
Addition during the year			50000	500000
Closing Balance	50000	500000	50000	500000

c. **Details of shareholders' holding more than 5% of the aggregate shares in the company:**

Name	As at March 31,2019		As at March 31,2018	
	No. of shares	% of holding	No. of shares	% of holding
Mahalaxmi Rubtech Ltd	50000	100%	50000	100%

8	Other Equity	As at 31 March 2019	As at 31 March 2018
	Retained Earnings		
	Opening balance	-15610	-
	Add: Net profit / (loss) for the year	285510	-15610
	Closing balance	**269900**	**-15610**

9	Non Current Borrowings	As at 31 March 2019	As at 31 March 2018
	Unsecured		
	From Directors	10000	10000
	From Holding Company	14258005	500
	TOTAL	**14268005**	**10500**

10	Trade Payables	As at 31 March 2019	As at 31 March 2018
	Trade Payables	2462933	
		2462933	**0**

11	Other financial liabilities	As at 31 March 2019	As at 31 March 2018
	Statutory Duties & Taxes	127094	
	Outstanding Expenses	10000	5000
		137094	**5000**

12	Current tax liabilities (net)	As at 31 March 2019	As at 31 March 2018
	Opening Balance	0	0
	Add: Current Tax payable for the year	94830	0
	Less: Taxes paid (including TDS and MAT Credit)	0	0
		94830	**0**

GLOBALE TESSILE PRIVATE LIMITED

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

13		For the year ended 31.03.2019	For the year ended 31.03.2018
	Sale of products and services	13010374	
	Other Operating revenue		
	Export Entitlement Benefits	216406	
	Total revenue from operations	13226780	0

14	Other income	For the year ended 31.03.2019	For the year ended 31.03.2018
	Vatav Kasar	1	
	Exchange Rate Fluctuation	461351	
		461352	0

15	Cost of raw material consumed and trading purchase	For the year ended 31.03.2019	For the year ended 31.03.2018
	Raw Material Consumed:		
	Opening Stock		
	Add: Purchases	15423347	
	Less: Closing Stock	7399231	
	Cost of raw material consumed	8024116	
	Purchase of Trading Goods	1150177	
		9174293	0

16	Changes in Inventories of finished goods, stock-in-trade and work-in-progress	For the year ended 31.03.2019	For the year ended 31.03.2018
	Inventories at the beginning of the year		
	Finished Goods		
	Semi Finished Goods		
	Trading Goods	-	
	Fents & Rags		
		0	0
	Less: Inventories at the end of the year		
	Finished Goods	1018012	
	Semi Finished Goods		
	Trading Goods		
	Fents & Rags		
		1018012	0
	Net decrease/ (increase):	-1018012	0

17	Manufacturing & Operating Cost	For the year ended 31.03.2019	For the year ended 31.03.2018
	Job Charges	3237296	
	Freight, Clearing & Forwarding Expenses	257168	
		3494464	0

18	Employee benefits expense	For the year ended 31.03.2019	For the year ended 31.03.2018
	Salary & Wages	900000	
		900000	0

19	Finance costs	For the year ended 31.03.2019	For the year ended 31.03.2018
	Interest (Net)	438374	
	Bank Commission & Charges		295
		438374	295

20	Other expenses	For the year ended 31.03.2019	For the year ended 31.03.2018
	Insurance Expenses	3697	
	Packing Materials Expenses	8992	
	Audit Fee	10900	5000
	Legal & Consulting Expenses	10376	500
	Postage & Courier Expenses	90901	
	Rent, Rates and Taxes	67000	8000
	Bank Commission & Charges	8791	
	Membership & Subscription	16080	
	Export Freight	91011	
	Printing & Stationery Expenses	6170	
	Travelling Expenses	3000	
	Preliminery Expenses written off	1815	1815
		318673	15315

21	The details of payment to auditors for the year ended is set out below:	As at 31 March 2019	As at 31 March 2018
	Audit fee	10000	5000

22 Related Party Transactions:

As per Accounting Standard 18, Related Party Disclosure is as under:

(a) List of Related Parties with whom transactions have taken place during the year and relationship:

Name of the Related Party	Relationship
Mahalaxmi Rubtech Limited	Holding Company
Jeetmal Parekh	Key Managerial Personnel
Rahul J Parekh	Key Managerial Personnel
Himmatsingh Rathore	Key Managerial Personnel

(b) Transactions during the year with Related Parties:

Nature of Transaction	Associate	Key Manage Personnel	Subsidiary	Relative of KMP
Rent paid				
Mahalaxmi Rubtech Limited			12000	
	0	0	12000	0
Sales				
Mahalaxmi Rubtech Limited			12002250	
	0	0	12002250	0
Job charges Paid				
Mahalaxmi Rubtech Limited			3237301	
	0	0	3237301	0
Purchases				
Mahalaxmi Rubtech Limited			1150178	
	0	0	1150178	0
Interest Paid				
Mahalaxmi Rubtech Limited	0		438374	
	0	0	438374	0
Loans Taken				
Mahalaxmi Rubtech Limited			13836468	
Rahul J. Parekh		10000		
	0	10000	13836468	0
(c) **Outstandings**				
Receivables				
Mahalaxmi Rubtech Limited	0		284937	
	0	0	284937	0
Payables				
Mahalaxmi Rubtech Limited			2425891	
	0	0	2425891	0
Loans Payable				
Mahalaxmi Rubtech Limited			14258005	
Rahul J. Parekh		10000		
	0	10000	14258005	0

1 General Information

Globale Tessile Private Limited (the 'Company') is a private limited company domiciled in India and was incorporated on 1st August, 2017 under the provisions of the Companies Act, 2013 applicable in India. Its registered office is located at YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad. The Company is primarily engaged in the business of manufacturing of trading of textiles products.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

This is the first year of incorporation of the company ;these financial statements for the year ended 31 March 2018 are the first set of financial statements prepared in accordance with Ind AS.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value;

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are taken as prescribed useful lives under Schedule II to the Companies Act, 2013. The management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

2.3 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.4 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company has amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible asset is 10 years.

2.5 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.6 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised 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.

2.7 Financial Instruments.

Fair value measurement

The Company has valued Financial Assets and Financial Liabilities, at fair value. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes there after are recognised in Statement of Profit and Loss Account or Other Comprehensive Income, as the case may be.

Financial Assets

The company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income or through Profit or loss) and those to be measured at amortised cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable to transaction costs.

2.8 Revenue Recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the companys activities as described below:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under 'Other Current and Non-current Liabilities' as "Advance from Customers'.

Sale of products:

Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Revenue from sales is based on the price specified in the sales contracts, net of all discounts, returns and goods and service tax at the time of sale.

2.9 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit & loss account shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income shall be recognised as part of OCI.

(b) Deferred tax

Deferred income tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

At each balance sheet , the company re-assesses unrecognised deferred tax assets, if any, and the same is recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.10 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.11 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are shown as other non current assets. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease .

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value.

2.13 Impairment of assets

The carrying value of assets / cash generating units at the Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised for such excess amount.

2.14 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable

2.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.16 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.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments.the impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized .

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

2.17 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for 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. The Company's liability is actuarially at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.19 Research & Development

Expenditure on research and development is recognised as an expense when it is incurred. Expenditure which results in increase in property, plant and equipment are capitalised and depreciated in accordance with the policies stated for property, plant & equipment.

2.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all the attached conditions. All government grants are initially recognised by way of setting up as deferred income. Government grants relating to income are recognised in the profit & loss account. Government grants relating to purchase of property, plant & equipment are subsequently recognised in profit & loss on a systematic basis over the expected life of the related depreciable assets. Grants recognised in Profit & Loss as above are presented within other income.

2.21 Inter divisional transactions

Inter divisional transactions are eliminated as contra items. Any unrealised profits on unsold stocks on account of inter divisional transactions is eliminated while valuing the inventory.

2.22 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements including an estimation of the likely outcome of any open tax assessments/ litigations. Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available, based on estimates thereof.

(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment 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 year end.

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For BHANWAR JAIN & CO.
Chartered Accountants.
Firm Registration No. : 117340W

(B. M. JAIN)
Partner
Membership No. : 034943
AHMEDABAD: 23rd May, 2019

Jeetmal B. Parekh
Director.
(DIN NO. 00512415)

Himmatsingh Rathore
Director.
(DIN 02336622)

AHMEDABAD: 23rd May, 2019