

32ND

ANNUAL REPORT
2017-2018



**EUROTEX INDUSTRIES AND
EXPORTS LIMITED**



AWARD AND RECOGNITION



GOVERNMENT OF MAHARASHTRA

CERTIFICATE OF EXPORT RECOGNITION *Awarded to*

Eurotex Industries & Exports Ltd. (Kolhapur)

*in appreciation of their
export achievement in respect
of the following product group*

TEXTILES (LSI)

for the year 2015-16

Dr. Harshadeep Kamble (I.A.S.)

**Development Commissioner (Industries) & Export Commissioner
Directorate of Industries
Government of Maharashtra**

AWARD AND RECOGNITION



EUROTEX INDUSTRIES AND EXPORTS LIMITED

An ISO 9001 and Oeko-Tex Standard 100 Certificate Holder

SA 8000 Certified Company

BOARD OF DIRECTORS

Shri Krishan Kumar Patodia

Chairman and Managing Director

Shri Hariprasad Siotia

Shri Gopal Patodia

Shri Narayan Patodia

Managing Director

Shri Rajiv Patodia

Executive Director and CFO

Shri V. K. Gupta

Shri D. K. Patel

Shri M. L. Bagaria

Shri P. P. Dundh

Smt. Hema Thakur

COMPANY SECRETARY

Shri Rahul Rawat

BANKERS

STATE BANK OF INDIA

BANK OF INDIA

IDBI BANK LIMITED

AUDITORS

SVP & ASSOCIATES

Chartered Accountants

Mumbai

REGISTERED AND HEAD OFFICE

1110, Raheja Chambers, 11th Floor,
213, Nariman Point, Mumbai - 400 021.

MILLS

E-23 & E-1, MIDC, Gokul Shirgaon,
Kolhapur - 416 234.
Maharashtra.

Plot No. T-4, MIDC, Kagal Hatkanangale,
Kolhapur - 416 234.
Maharashtra.

SHARE TRANSFER AGENTS

DATAMATICS BUSINESS SOLUTIONS LIMITED

Plot No.B-5, Part B, Cross Lane, MIDC,

Marol, Andheri (East), Mumbai - 400 093.

Tel.: 022-66712156 E-mail: investorsqry@dfssl.com



EUROTEX INDUSTRIES AND EXPORTS LIMITED

Registered Office: 1110, Raheja Chambers, 11th Floor,
213, Nariman Point, Mumbai - 400 021.

CIN : L70200MH1987PLC042598

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd Annual General Meeting of the Shareholders of **EUROTEX INDUSTRIES AND EXPORTS LIMITED** will be held at Ramada Powai Hotel and Convention Centre, Saki Vihar Road, before Nitie, Powai, Mumbai - 400 087 on Saturday, the 29th September, 2018 at 9:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the financial year ended 31st March, 2018 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Hari Prasad Siotia (DIN: 00015103) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To approve the remuneration of M/s. A. G. Anikhindi & Co., Cost Accountants, for the financial year ending 31st March, 2019 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions

of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. A. G. Anikhindi & Co., Cost Accountants, appointed on recommendation of the Audit Committee by the Board of Directors of the Company as Cost Auditors under Section 148 of the Companies Act, 2013, to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2019, at the remuneration of Rs. 1,00,000/- (Rupees One Lakh Only) plus applicable taxes, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board

Place: Mumbai
Date : 26th May, 2018

Rahul Rawat
Company Secretary
M. No. 27891

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company, carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has notified closure of Register of Members and Share Transfer Books from 19th September, 2018 to 29th September, 2018 (both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their Address or Bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their Address or Bank mandates immediately to the Company / Datamatics Business Solutions Limited.
8. The Company has transferred the amount of unpaid or unclaimed dividends in terms of provision of Section 205C of the Companies Act, 1956, from time to time on due dates, to the Investor Education and Protection Fund.
9. The Company is not required to transfer any shares with Investor Education and Protection Fund Authority in terms of sub-section (6) of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.
10. The Members who are holding shares in physical form are requested to send their Specimen Signature duly attested by Bank to the Company's Registrar Datamatics Business Solutions Limited.
11. A Route Map showing directions to reach the Venue of the 32nd Annual General Meeting is given at the end.
12. Members who wish to obtain information concerning the 32nd Annual Report of the Company may send their queries at least 7 (Seven) days before the date of Meeting, to the Company.
13. 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 / Datamatics Business Solutions Limited.

14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Datamatics Business Solutions Limited, for consolidation into a single folio.
16. Details of the Director retiring by rotation and seeking re-appointment [in pursuance to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Name of Director	Shri Hari Prasad Siotia
Date of Birth	3rd May, 1934
Date of Appointment	16.02.1987
Qualification	B. Com
Expertise in Specific functional area and years	More than 5 decades of rich experience in the field of cotton and yarn trading and manufacturing activities of cotton spinning.
List of other Directorship held	PBM Polytex Limited Patodia Syntex Limited Shree Janardana Mills Limited Eurospin Industries Limited Mercury Gems Private Limited Eurotex Niggeler Kupfer Industries Private Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Chairman of Stakeholders Relationship Committee Member of Audit Committee & Nomination & Remuneration Committee
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Chairman of Stakeholders Relationship Committee of PBM Polytex Limited Member of Audit Committee & Nomination & Remuneration Committee of PBM Polytex Limited
Shareholding in the Company	42218 Equity Shares

17. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has provided e-voting facility for members to cast their vote electronically from the place other than Annual General Meeting (“Remote e-Voting”).



18. The instructions for Members for voting electronically are as under:

INSTRUCTIONS FOR E-VOTING

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("Remote e-Voting") will be provided by Central Depository Services (India) Limited (CDSL).

The Company has approached CDSL for providing e-Voting services through their e-Voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-Voting on Resolutions placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting can be downloaded from the Company website i.e. www.eurotexgroup.com

The e-Voting period commences on 26th September, 2018 (9:00 A.M.) and ends on 28th September, 2018 (5:00 P.M.). During this period, shareholders of the Company, may cast their vote electronically. The e-Voting module shall also be disabled for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the cut-off date of 22nd September, 2018. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 22nd September, 2018, may obtain the login ID and password by sending a request at companysecretary@eurotexgroup.com

The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by Remote e-Voting shall be able to exercise their right at the meeting through Polling Paper.

PROCEDURE FOR REMOTE E-VOTING

- (i) The voting period begins on 26th September, 2018 (9:00 A.M.) and ends on 28th September, 2018 (5:00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22nd September, 2018, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-Voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)·</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (which is printed on the Address Slip) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members 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 on 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.

**EUROTEX
INDUSTRIES AND EXPORTS
LIMITED**

- (x) For Members holding shares in physical form, the details can be used as printed on the Address Slip for e-Voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN for the Eurotex Industries and Exports Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xvii) 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.
- (xviii) 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.
- (xix) Note for Non-Individual Shareholders and Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- (xx) 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 www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- 19. The result of the electronic voting shall be declared after the Annual General Meeting. The result along with the Scrutinizer's report shall also be placed on the website of the Company. The Board will appoint an Independent Scrutinizer to scrutinize the Voting and Remote e-Voting process in a fair and transparent manner.
- 20. Members may also note that the Notice of 32nd Annual General Meeting and the Annual Report for the financial year 2017-18 will also be available on the Company's website www.eurotexgroup.com
- 21. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

Place: Mumbai
Date : 26th May, 2018

By Order of the Board

Registered Office :

1110, Raheja Chambers, 11th Floor,
213, Nariman Point, Mumbai - 400 021.

Rahul Rawat
Company Secretary
M.No. 27891

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 3

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Anikhindi and Co., as Cost Auditor to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be determined by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No.3 of the Notice for approval of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2019.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No.3 of the Notice.

The Board recommends the Ordinary Resolution set out in Item No.3 of the Notice for approval of the shareholders.

By Order of the Board

Place: Mumbai
Date : 26th May, 2018

Registered Office :

1110, Raheja Chambers, 11th Floor,
213, Nariman Point, Mumbai - 400 021.

Rahul Rawat
Company Secretary
M.No. 27891



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 32nd Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

	2017-18 (₹ in lakhs)	2016-17 (₹ in lakhs)
FINANCIAL RESULTS		
Profit before Finance Cost, Depreciation, Tax	(409.88)	(102.96)
Finance Costs	719.82	678.78
Profit/(Loss) before Depreciation	(1,129.70)	(781.74)
Depreciation	398.46	419.73
	(1,528.16)	(1,201.47)
Provision for Income Tax	–	–
Prior Years' Tax Expense (Net)	10.76	–
Deferred Tax Assets	100.21	33.46
Profit/(Loss) for the year	(1,417.19)	(1,168.01)
Balance brought forward from previous year	(533.61)	634.40
Balance Carried to Balance Sheet	(1,950.80)	(533.61)

PERFORMANCE REVIEW

During the year revenue from the operations of the Company is Rs.25,205.16 Lakhs as compared to Rs.18,862.91 Lakhs in the previous year. The operating loss of the Company is Rs.409.88 Lakhs as against operating loss of Rs.102.96 Lakhs in the previous year. The loss after finance cost and depreciation is Rs.1,528.16 Lakhs as against the loss of Rs.1,201.47 Lakhs in the previous year.

AWARD

The Directors are pleased to inform you that the Company received during the year, First Award for the Best Export Performance for the year 2015-16 in Textiles (LSI) from Government of Maharashtra.

DIVIDEND

The Board has decided not to recommend any dividend for the financial year 2017-18.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 was Rs.8,74,98,650.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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 to which the Financial Statement relate and the date of this report.

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

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, required information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in "Annexure A" to the Directors' Report.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Hari Prasad Siotia (DIN: 00015103) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly, his re-appointment forms part of the Notice of the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the sub-section (7) of Section 149 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 (3) (c) of the Companies Act, 2013, your Board of Directors hereby state:

- that in the preparation of the Annual Accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the Profit & Loss of the Company for the year ended on that date;
- that the Directors have taken proper and sufficient care for 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;