

# **33<sup>RD</sup>**

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## **ANNUAL REPORT 2018 - 2019**



**EUROTEX INDUSTRIES AND  
EXPORTS LIMITED**



## **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 - 400021.

**MILLS**

E-23 & E-1, MIDC, Gokul Shirgaon,  
Kolhapur - 416234.  
Maharashtra.

Plot No. T-4, MIDC, Kagal Hatkanangale,  
Kolhapur - 416216.  
Maharashtra.

**SHARE TRANSFER AGENTS**

**DATAMATICS BUSINESS SOLUTIONS LIMITED**

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

Marol, Andheri (East), Mumbai - 400093.

Tel.: 022-66712156 E-mail: [investorsqry@dfssl.com](mailto: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 33rd 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 28th September, 2019 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, 2019 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Narayan Patodia (DIN: 00013122) 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, 2020 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, 2020, 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."

4. To Regularize the appointment of Shri. Ashwinikumar L. Dave (DIN:00126187) as an Independent Non-Executive Director and 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 Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the Members of the Company be and is hereby given to the appointment of Shri. Ashwinikumar L. Dave (DIN: 00126187), who was appointed by the Board of Directors as an Additional Independent Non-Executive Director of the Company with effect from 25th May, 2019 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the Independent Directorship as provided in Section 149 (6) of the Act and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non-Executive Director of the Company, who shall hold office for a period of five consecutive years w.e.f. 25th May, 2019 till 24th May, 2023 and whose office shall not, henceforth, be liable to retire by rotation.

**RESOLVED FURTHER THAT** to give effect to this Resolution, the Board of Directors be and are hereby authorized to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

By Order of the Board

**Rahul Rawat**  
Company Secretary  
**M. No. 27891**

Place: Mumbai  
Date : 25th May, 2019

**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 18th September, 2019 to 28th September, 2019 (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 33rd Annual General Meeting is given at the end.
12. Members who wish to obtain information concerning the 33rd 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. Members are requested to quote their Registered Folio Nos. on all the correspondence with the Company.
17. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amended vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. The Company has complied with the necessary requirements, as applicable, including sending of letters / reminder letters to Shareholders holding shares in Physical Form, requesting them to demat their physical holdings.
18. Details of the Directors retiring by rotation and seeking appointment [in pursuance to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Name of Director	Shri Narayan Patodia
Date of Birth	30th October, 1951
Date of Appointment	16th February, 1987
Qualification	B. E. Mech. from BITS Pilani
Expertise in specific functional area and years	He holds 38 years of rich experience in the Textile Industry in all fields such as Purchase, Manufacturing, Administration, Finance and Marketing.
List of other Directorship held	Patodia Syntex Limited Chandramauli Investments Pvt. Ltd. Suragini Investments Private Limited Sambhu Investments Private Limited Desine Properties and Consultancy Private Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Member of Stakeholders Relationship Committee
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	None
Shareholding in the Company	36000 Equity Shares



<b>Name of Director</b>	<b>Shri Ashwinikumar L. Dave</b>
<b>Date of Birth</b>	15th November, 1945
<b>Date of Appointment</b>	25th May, 2019
<b>Qualification</b>	Under Graduate
<b>Expertise in Specific functional area and years</b>	He holds around 50 years of sound experience in the fields of Accounting, Marketing etc.
<b>List of other Directorship held</b>	Kala Knitwears Private Limited
<b>Chairman/Member of the Committees of the Board of Directors of the Company</b>	None
<b>Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director</b>	None
<b>Shareholding in the Company</b>	15 Equity Shares

19. 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 has provided e-Voting facility for Members to cast their vote electronically from the place other than Annual General Meeting ("Remote e-Voting").

**20. 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](http://www.eurotexgroup.com)

The e-Voting period commences on 25th September, 2019 (9:00 A.M.) and ends on 27th September, 2019 (5:00 P.M.). During this period, shareholders of the Company, may cast their vote electronically. The e-Voting module shall 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 21st September, 2019. 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. 21st September, 2019, may obtain the login ID and password by sending a request at [companysecretary@eurotexgroup.com](mailto: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 25th September, 2019 (9:00 A.M.) and ends on 27th September, 2019 (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. 21st September, 2019, 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](http://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. For 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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<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"> <li>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.</li> <li>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.</li> </ul>
<b>DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)</b>	<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"> <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 (iv).</li> </ul>

(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.

(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](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.

(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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).





21. 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.
22. Members may also note that the Notice of 33rd Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website [www.eurotexgroup.com](http://www.eurotexgroup.com)
23. **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.**

By Order of the Board

Place: Mumbai  
Date : 25th May, 2019

**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, 2020.

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, 2020.

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.

### ITEM NO. 4

Shri Ashwinikumar L. Dave (DIN: 00126187) was appointed as an Additional Director w.e.f. 25th May, 2019 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office up to the date of the ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended regularization of Shri Ashwinikumar L. Dave as an Independent Non-Executive Director of the Company. The Company has received a Notice in writing from a shareholder of the Company, signifying his intention to propose the appointment of Shri Ashwinikumar L. Dave as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

Section 149 and Section 152 inter alia specifies that:

(a) Independent Directors shall hold office for a term of up to five consecutive years, and shall be eligible for

re-appointment for a further period of five years, subject to passing of Special Resolution by the Shareholders in General Meeting; and

(b) An Independent Director shall not be liable to retire by rotation at the AGM.

In the opinion of the Board, Shri Ashwinikumar L. Dave is a person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the said Act and the rules made thereunder and is independence of the management of the Company and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during Normal Business Hours on any working day. Members may note that the requisite declarations under Section 149 (7) of the Companies Act, 2013 have been furnished by the Independent Non-Executive Directors confirming compliance with the provisions of Section 149 (6) of the Companies Act, 2013. Upon the confirmation of the appointment of him as an Independent Non-Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Non-Executive Director. The Board accordingly recommends the Resolution at Item No. 4 of this Notice for the approval of the Members as Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Shri Ashwinikumar L. Dave is in any way concerned or interested, financially or otherwise, in the Resolution at Item No.4 of this Notice.

By Order of the Board

Place: Mumbai  
Date : 25th May, 2019

**Registered Office :**  
1110, Raheja Chambers, 11th Floor, Company Secretary  
213, Nariman Point, Mumbai - 400 021. **M.No. 27891**



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are hereby presenting their 33rd Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2019.

	2018-19 (₹ in lakhs)	2017-18 (₹ in lakhs)
<b>FINANCIAL RESULTS</b>		
Profit / (Loss) before Finance Cost,		
Depreciation, Tax	(658.96)	(409.88)
Finance Costs	679.14	719.82
Profit/(Loss) before Depreciation	(1,338.10)	(1,129.70)
Depreciation	390.66	398.46
	(1,728.76)	(1,528.16)
Tax Expenses:		
Prior Years' Tax Adjustments	(2.47)	(10.76)
Deferred Tax Charged / (Credit)	(18.91)	(100.21)
Profit/(Loss) for the year	(1,707.38)	(1,417.19)
Balance brought forward from previous year	(1,950.80)	(533.61)
<b>Balance Carried to Balance Sheet</b>	<b>(3,658.18)</b>	<b>(1,950.80)</b>

## PERFORMANCE REVIEW

During the year, revenue from the operations of the Company is Rs.19,675.05 Lakhs as compared to Rs.25,205.16 Lakhs in the previous year. The operating loss of the Company is Rs.658.96 Lakhs as against operating loss of Rs.409.88 Lakhs in the previous year. The loss after finance cost and depreciation is Rs.1,728.76 Lakhs as against the loss of Rs.1,528.16 Lakhs in the previous year.

## DIVIDEND

The Board has decided not to recommend any dividend for the financial year 2018-19.

## SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was Rs.8,74,98,650.

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

The Plant E-23 is not in operation from 25th March, 2019 to till date, which has affected the Financial Position of the Company.

## 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 Narayan Patodia (DIN: 00013122) 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.

The tenure of 5 years of Shri Dilip Keshavlal Patel (DIN: 00013150) as an Independent Director of the Company has come to an end on 31st March, 2019. He has not considered the second term of 5 years as an Independent Director. Hence, he ceases to be a Director of the Company w.e.f.31st March, 2019.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on 25th May, 2019, had appointed Shri Ashwinikumar L. Dave (DIN:00126187) as an Additional Independent Non-Executive Director of the Company. Pursuant to the provisions of Section 161 of the Act, Shri Ashwinikumar L. Dave holds office till the date of the ensuing Annual General Meeting and is eligible for appointment. A Resolution in this behalf is set out at Item No.4 of the Notice of Annual General Meeting, for Members' approval.

## 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, 2019, 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, 2019 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;
- that the annual accounts have been prepared on a going concern basis;
- that Directors have laid down Internal Financial



Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively; and

- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

Pursuant to Regulation 25 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out by Independent Directors at their separate meeting to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated.

#### **BOARD MEETINGS**

During the year, four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section(3) of Section 178 is annexed hereto and forms a part of this report.

#### **AUDITORS**

##### **Statutory Auditors**

The Statutory Auditors M/s. SVP & Associates, Chartered Accountants (Firm's Reg. No. 003838N), were appointed as the Statutory Auditors for a term of five years at 31st Annual General Meeting of the Company till the conclusion of 36th Annual General Meeting of the Company.

##### **Cost Auditors**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of Cost Records relating to Textile.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. A. G. Anikhindi & Co., Cost Accountants, as Cost Auditor to audit the Cost Accounts of the Company for the financial year 2019-20.

As required under the Companies Act, 2013, a Resolution seeking shareholder's approval for the remuneration

payable to the Cost Auditor, forms part of the Notice convening the Annual General Meeting for their approval.

#### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. S. K. Jain & Co., Practising Company Secretary to conduct Secretarial Audit of the Company for the financial year 2019-20.

#### **AUDITORS AND REPORTS**

The matters related to Auditors and their Reports are as under:

##### **1. Report of Statutory Auditor:**

The Report given by the Statutory Auditors for the Financial Statements for the year ended 31st March, 2019 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

##### **2. Report of Secretarial Auditor:**

M/s. S. K. Jain & Co., Practising Company Secretary, was appointed to conduct Secretarial Audit of the Company for the financial year 2018-19 as required under Section 204 of the Companies Act, 2013 and the Rules thereunder. The Secretarial Audit Report for the financial year 2018-19 forms part of the Annual Report as "Annexure B" to the Boards Report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

#### **CORPORATE GOVERNANCE**

The Company has complied with all the mandatory requirements of Corporate Governance, as stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance and a Certificate from M/s. SVP & Associates, Statutory Auditors, regarding compliance with the conditions of Corporate Governance is given in a separate section and forms part of the Annual Report.

#### **AUDIT COMMITTEE**

The Board has well-qualified Audit Committee with majority of Independent Directors including Chairman. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details of the Composition of the Audit Committee are given in the Corporate Governance Report.

The Company Secretary of the Company acts as Secretary to the Committee.

During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee.

#### **NOMINATION & REMUNERATION COMMITTEE & POLICY**

The Company has duly constituted Nomination & Remuneration Committee to align with the requirements prescribed under the provisions of Section 178 of the