



**23<sup>rd</sup> ANNUAL REPORT  
2019-20**

**JINDAL  
COTEX LIMITED**



## BOARD OF DIRECTORS

Mr. Sandeep Jindal	Managing Director
Ms. Alisha	Independent Director
Mr. Kartar Chand Himan	Independent Director
Mr. Kanik Sharma	Independent Director

## KEY MANAGERIAL PERSONNEL

Mr. Sandeep Jindal  
Managing Director

## REGISTERED & CORPORATE OFFICE AND WORKS

Village MandialaKalan,  
P.O. Bija, Tehsil Khanna,  
District Ludhiana - 141412  
CIN No: L17115PB1998PLC021084  
Phone s: (01628) 289842  
Email: cs@sjgroup.in  
Website: www.jindalcotex.com

## REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private Limited,  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East,  
Mumbai – 400059 - Maharashtra  
Phones: (022) 62638200  
Fax: (022) 62638209  
Email: info@bigshareonline.com

## WIND MILL

J-289, Village Pithla,  
Distt. Jaisalmer,  
Rajasthan

## UNITS

Unit –I,  
VPO Jugiana, G.T. Road,  
Ludhiana - 141017

## AUDITORS

M/s K R Aggarwal & Associates,  
Chartered Accountants,  
B - XV, 980 (2<sup>nd</sup> Floor),  
G. T. Road, Miller Ganj,  
Adj. GurudwaraShaheedanPheruman,  
Ludhiana - 141003

## BANKERS

Oriental Bank of Commerce  
State Bank of India  
Alahabad Bank  
Corporation Bank  
Bank of Baroda  
Punjab National Bank  
Central Bank of India

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**NOTICE**

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of JINDAL COTEX LIMITED will be held on Wednesday, 30<sup>th</sup> day of December, 2020 at 9.30 A.M. at the Registered Office at Village Mandiala Kalan, P.O. Bija, Tehsil Khanna, District Ludhiana, to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2020 and Profit & Loss Account for the year ended on that date together with the reports of the Director's and Auditor's thereon.
2. To appoint a director in place of Mr. Sandeep Jindal (DIN: 01639743) who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS**

3. To consider, and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:-

"RESOLVED THAT Board of Directors of the Company on the recommendations of the Audit Committee has approved the appointment of M/s. Gurvinder Chopra and Co., Cost Accountants (Firm Registration No. 100260) as Cost Auditors of the company for the financial year 2020-21 at a remuneration of Rs. 25,000/- (Rupees Twenty five Thousand only) plus applicable Goods and service tax and out-of-pocket expense.

RESOLVED FURTHER THAT the Shareholders hereby ratify the actions of the Board of Directors pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, for approving recommendation of Audit Committee, for appointment and remuneration of Rs. 25,000/- (Rupees Twenty five Thousand only) plus applicable Goods and service tax and out of pocket expenses of M/s Gurvinder Chopra and Co., Cost Auditor(s) to conduct the audit of the cost records of the Company for the financial year 2020-21.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary for the purpose of giving effect to this resolution".

**By order of the Board**

**For Jindal Cotex Limited**

**Place: Ludhiana**

**(Sandeep Jindal)**

**Date: 4<sup>th</sup> December, 2020**

**Managing Director  
DIN: 01639743**

**NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on his/her behalf at the meeting. The proxy need not be a member of the company. The instrument appointing the proxy in order to be effective must be deposited at the Registered Office of the company at least 48 hours before the time for the meeting. The blank Proxy form is enclosed.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A proxy shall not have a right to speak at the Annual General Meeting and shall not be entitled to vote except on a poll.

2. The relative explanatory statement pursuant to section 102(1) of the Companies Act, 2013 relating to special business to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 25th December, 2020 to Wednesday, 30th December, 2020 (both days inclusive).
4. The relevant details as required under the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice.
5. Members desiring any information as regards to accounts are requested to write to the company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
6. The members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai.
7. The members are requested to intimate changes, if any, pertaining to their email address, postal address, Permanent Account Number (PAN), Bank details such as name of the bank, branch detail, bank account no. MICR code, IFSC code etc., to their DP, in case shares are held by them in electronic form and to the company/ Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai in case shares are held by them in physical form.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number by every participant in the securities market. Members holding shares in electronic form are, therefore, to submit their PAN to the depository participants with whom they maintained their demat account. Members holding shares in physical form should submit their PAN to the company/registrar and share transfer agent of the company.
9. Annual accounts and related documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the company.
10. In line with the MCA General Circular dated May 5, 2020, the Notice of the 23rd AGM alongwith the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories and has been uploaded on the Company's website [www.jindalcotex.com](http://www.jindalcotex.com) for their download.
11. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares. Members can contact the company or Registrar and Share Transfer Agent for assistance in this regard.
12. To support the "Green Initiative", Members who have not yet registered their e-mail address are requested to register the same with their DPs in case the shares are held by them in electronic form and to the company Registrar & Transfer Agent, M/s Bigshare Services Private Limited, Mumbai in case shares are held by them in physical form.



13. A route map showing directions to the venue of the 23<sup>rd</sup> Annual General Meeting is given at the end of this Notice.

**By order of the Board  
For Jindal Cotex Limited**

**Place: Ludhiana (Sandeep Jindal)**

**Date: 4<sup>th</sup> December, 2020 Managing Director**

**DIN: 01639743**

#### **ANNEXURE TO THE NOTICE**

**Explanatory Statement as required under section 102(1) of the Companies Act, 2013, setting out all material facts relating to special business of the accompanying notice.**

#### **Item No. 3**

The Board of Directors at its meeting held on 31<sup>st</sup> July, 2020, on the recommendations of the Audit Committee, has approved the appointment of M/s. Gurvinder Chopra and Co., Cost Accountant (Membership No. 42655), as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 on a remuneration of Rs. 25,000/- (Rupees Twenty five Thousand only) plus reimbursement of out of pocket expenses.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company.

The Board recommends the aforesaid resolution for approval of the shareholders.

None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the above resolution.

**By order of the Board  
For Jindal Cotex Limited**

**Place: Ludhiana (Sandeep Jindal)**

**Date: 4<sup>th</sup> December, 2020 Managing Director**

**DIN: 01639743**

#### **Voting through electronic means;**

- In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2015 as well as Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is providing facility to members to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**The voting period begins on Saturday, 26<sup>th</sup> December, 2020, 9:00 A.M. and ends on Tuesday, 29<sup>th</sup> December, 2020, 05:00 P.M. During this period shareholders' as on the cut-off date Wednesday, 23<sup>rd</sup> December, 2020 holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The instructions for e-voting are as under:

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- Click on Shareholders.

- Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat and Physical Form</b>
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"> <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 Client Id/Folio Number in the PAN field. In case the Folio 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. E.g. If your name is Ramesh Kumar with Folio number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details or date of birth as recorded in your demat account detail or in the company records for the said demat account or folio.</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 instruction (5).</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- 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 for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (x) Click on the EVSN for the relevant Jindal Cotex Limited on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Note for Institutional Shareholders**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://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 they have to create 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 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.
- (xviii) 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).
4. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23<sup>rd</sup> December, 2020.
5. M/s Reecha Goel & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
6. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

By order of the Board

For Jindal Cotex Limited

Place: Ludhiana

(Sandeep Jindal)

Date: 4<sup>th</sup> December, 2020

Managing Director

DIN: 01639743

**Information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting**

Name of the Director	<b>Sandeep Jindal</b>
Date of Birth	02.03.1977
Date of Appointment	18.02.1998
Expertise in specific functional area	21 years of experience in various Business & Industries.
Qualification	Commerce Graduate
Directorship of other companies	<ul style="list-style-type: none"> <li>Jindal Medicot Limited</li> <li>Jindal Specialty Textiles Limited</li> <li>Himachal Textile Park Limited</li> <li>Jindal Holdings and Investment Limited</li> <li>Jindal Info Media Pvt Ltd</li> <li>Jindal International FZE</li> <li>Jindal Cycles Private Limited</li> <li>Jindal Technotex Limited</li> <li>Jintex International DMCC</li> </ul>
Chairmanship s/ Memberships of Committees of other companies	<ul style="list-style-type: none"> <li>Jindal Specialty Textiles Limited</li> <li>1) Audit Committee, Chairman</li> <li>2) Nomination and Remuneration Committee, Member</li> <li>Jindal Medicot Limited</li> <li>1) Audit Committee, Chairman</li> <li>2) Nomination and Remuneration Committee, Member</li> </ul>
Number of shares held	150630
Relationship with other Directors	Not related to any Director

**DIRECTORS' REPORT****Dear Members,**

The Directors of your Company have pleasure in presenting their 23<sup>rd</sup> Annual Report on the affairs of the company together with Audited Annual Accounts for the financial year ended 31st March, 2020.

**Financial Results****(Rs. In Lacs)**

Particulars	2019-20	2018-19
Turnover	3287.31	8390.15
Other Income	829.19	915.06
Profit Before Depreciation, Interest, Tax & Exceptional items (PBDIT)	(42.14)	495.86
Interest and Financial Expenses	90.76	82.66
Profit Before Depreciation, Tax & Exceptional items (PBDT)	(132.90)	413.20
Depreciation	612.42	621.26
Profit Before Tax & Exceptional items (PBT)	(745.32)	(208.06)
Exceptional items	2244.04	1313.88
Profit Before Tax	1498.72	1105.82
Less- Provision for Tax (Including Deferred Tax)	---	--
Profit for the year (PAT)	1498.72	1105.82
Other Comprehensive Income	0.20	(0.20)
Add – Surplus brought forward From previous Year	---	--
Profit available for Appropriations	1498.92	1105.62

During the year under review, your company has achieved a total turnover of Rs. 32.87 Crores as against Rs. 83.90 Crores in the previous year. However, the company has suffered a loss before tax of Rs. 7.45 Crs as against Rs.2.08 Crs for the previous year before exceptional items on account of onetime settlement of some of the secured loans with their respective lenders.

The company has earned a profit after tax of Rs. 14.99 Crores as against Profit of Rs. 11.06 Crores in the previous year after exceptional items.

Since the date of default for repayment of loans to the secured lenders has become older than three years, the Debt payable by the Company to its secured lenders has, however, become barred by limitation.

The Unit 2 of the company situated at Village Mandiala Kalan, Bija, is operational with low capacity utilization due to financial constraints. However, Unit 1 of the company situated at Ludhiana remained closed during the year.

**Dividend**

Your directors do not recommend any dividend for the year under review.

**Transfer to Reserves**

The company has not transfer any amount to the general reserve.

**Nature of Business**

The company is engaged in the textiles business. During the year, under review, there was no change in the business of the company.

**Share Capital**

The paid up equity share capital of the company is Rs. 45.00 crore as at 31<sup>st</sup> March, 2020. There was no public

issue, right issue, bonus issue or preferential issue etc., during the year.

**Indian Accounting Standard (Ind AS)**

The financial results for the year 2019-20 have been prepared in accordance with Indian Accounting Standards ('Ind AS'), prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other recognized accounting practices and policies to the extent applicable.

**Management Discussion & Analysis Report**

The Management Discussion and Analysis of financial conditions and results of operation of the company for the year under review is attached to this Report.

**Detail of Subsidiary**

**Jindal International FZE** is 100% subsidiary of our company set up in free zone in UAE.

The company is engaged in the general trading activities.

The consolidated financial statements presented by the company include financial information of its subsidiary prepared in compliance with applicable Accounting Standards are attached to and form part of the Annual Report.

**Directors and Key Managerial Personnel**

The Board of Directors consists of four members, out of which one is executive and three are Independent directors. The Board also comprises of one woman director.

Sh. Sandeep Jindal (DIN: 01639743), director retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment as per the provisions of section 152(6) of the Companies Act, 2013. The Board has recommended his appointment to the members of the company at the ensuing Annual General Meeting.

During the year under review Mr. Rajesh Khanna and Mr. Anil Kumar, Independent directors of the company resigned from the Board. The Board wishes to place on record its deep sense of appreciation for the valuable contributions made by them to the Board and the company during their tenure as Director of the company.

Sh. Anil Kumar, Company Secretary had resigned from the post of Company Secretary and compliance officer of the company with effect from 14<sup>th</sup> June, 2019. The Board of Directors accepted his resignation and filed the eform DIR-12 with the Registrar of Companies. The management of the company is making all its efforts including advertisement in the newspaper to appoint new company secretary in his place.

**Number of Meetings of the Board**

The details of the number of meetings of the Board held during the Financial Year 2019-20 forms part of the Corporate Governance Report.

**Corporate Governance**

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the company regarding compliance with the Corporate Governance norms stipulated, is annexed to the Report on Corporate Governance.

**Board Evaluation**

The Board carried out a formal annual performance evaluation of its own performance and that of its Committees and Individual Directors as required under the





provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

report thereon. The statutory report is self explanatory and hence does not call for any further comments.

### **Declaration By Independent Directors**

The Independent directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated under section 149(6) of the Companies Act, 2013, so as to qualify themselves to be appointed as Independent directors of the company.

### **Separate Meeting of Independent Directors**

The company's Independent Directors met on 10<sup>th</sup> March, 2020 without the attendance of Non-Independent Directors. All the Independent Directors were present at the meeting. The Independent Directors in its meeting reviewed the performance of Non-Independent Directors and the Board as a whole.

### **Directors' Responsibility Statement**

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, with respect to Directors responsibility statement, the Directors hereby confirm that:-

- a) In the preparation of Annual Accounts the applicable Accounting Standards have been followed and that there are no material departures;
- b) They have selected such Accounting Policies and applied them consistently and made prudent judgments & estimates that are reasonable so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company as on date;
- c) They have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing & detecting the fraud and other irregularities;
- d) The Annual Accounts have been prepared on 'going concern basis'.
- e) They had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Auditors**

#### **a) Statutory Audit**

M/s. K R Aggarwal & Associates, Chartered Accountants, (Registration No. 030088N), were appointed as Statutory Auditors by the members of the company in the annual general meeting held on 29<sup>th</sup> day of September, 2018, on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment were subject to ratification by the Members at every subsequent AGM. Pursuant to the amendments made to Section 139 of the Act by the Companies (Amendment) Act, 2017, effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

M/s. K R Aggarwal & Associates has audited the books of accounts of the company for the financial year ended 31<sup>st</sup> March, 2020 and issued Auditors

#### **b) Cost Audit**

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are prepared every year. The Cost Audit Report for the year ended March 31, 2019 was filed with the Central Government. The Board of Directors, on the recommendation of Audit Committee, has re-appointed M/s. Gurvinder Chopra and Co., Cost Accountants (Firm Registration No. 100260) as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2020-21. As required under the Act, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

#### **c) Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed M/s. Reecha Goel & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report forms an integral part of this Report.

### **Energy Conservation, Technology Absorption & Foreign Exchange**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 as regard disclosure of particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms part of this report.

### **Fixed Deposits**

The company had made default in the repayment of the fixed deposits received from the fixed deposit holders. Therefore, the Registrar of Companies, Chandigarh filed complaint with District and Sessions Court, SAS Nagar, Mohali (PB) on 17.07.2019, against the company and Key Managerial Personnel of the company for the said default.

### **Particulars of Employees**

No employee is covered under the provisions of section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

### **Corporate Social Responsibility (CSR):**

During the year under review, the company was not required to spend any amount on Corporate Social Responsibility activities as required under section 135 and Schedule VII of the Companies Act, 2013, as the company had incurred losses during the preceding financial years except previous year.

### **Significant and Material Orders Passed by the Regulators/ Courts**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

### **Green Initiative**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Further, as per



the provisions of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the company may send financial statements and other documents by electronic mode to its members. Your company has decided to join the MCA in its environmental friendly initiative. Accordingly, the company propose to send documents such as Annual Report and other communications to the shareholders via electronic mode at the registered email address of the shareholders. Further, to support this green initiative of the Government, the shareholders are requested to register their email Id with their depository participant with whom they are having demat account.

### **Vigil Mechanism**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company established, a Vigil Mechanism process whereby any employee, directors, customers, vendors etc., can report the genuine concerns or grievances to the members of Audit Committee about unethical behavior, actual or suspected fraud so that appropriate action can be taken to safeguard the interest of the company. However, no such complaint was received during the year under review. The Vigil Mechanism Policy has been uploaded on the website of the company at [www.jindalcotex.com](http://www.jindalcotex.com).

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

The Company committed to provide a safe and conducive work environment to its employees including women, during the year under review. Your Directors further state that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **Related Party Transactions**

The Related Party Transactions made during the financial year 2019-20 were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the company's Promoters, Directors, Key Managerial Personnel or their relatives, which could have a potential conflict with the interest of the company. The Related Party Transactions has been reported and annexed hereto in this annual report.

### **Particulars of Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to financial statements annexed hereto in this annual report.

### **Remuneration Ratio of the Directors/ Key Managerial Personnel (KMP)/ Employees:**

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Companies (Particulars of Employees) Rules, 1975 in respect of employees of the company and Directors is furnished as under:

S. No.	Name	Designation	Remuneration paid FY 2019-20	Remuneration paid FY 2018-19	Increase in remuneration from previous year
1	Mr. Sandeep Jindal	MD	7,50,000	7,50,000	----
2	Mr. Anil Kumar	CS	1,63,625	7,24,020	---

### **Risk Management Policy**

Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The policy of the company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

### **Associates Companies**

Pursuant to section 129(3) of the Companies Act, 2013 a statement containing salient features of financial statement of Associates companies is annexed in Form AOC-1 with financial statements.

### **Industrial Relations**

Industrial relations remained cordial throughout the year and the Directors express their appreciation towards the workmen for their co-operation and hope for continued cordial relations in the years to come.

### **Acknowledgement**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from Bankers, Government Departments, Shareholders and other Business Associates for their continued and valuable co-operation & support extended to the company.

We take this opportunity to place on record our warm appreciation for the employees at all levels for their dedicated services and valuable contributions towards the growth of the Company.

**For and on behalf of the Board**

**For Jindal Cotex Limited**

**Date: 31<sup>st</sup> July, 2020**

**Place: Ludhiana**

**(Sandeep Jindal) (Kartar Chand Dhiman)**  
**Managing Director Director**

**DIN: 01639743**

**DIN: 05143805**



**ANNEXURE TO THE DIRECTORS' REPORT**

Information as per Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2020:-

**I. CONSERVATION OF ENERGY****FORM A**

PARTICULARS		UNIT	2019- 20	2018-19
<b>A</b>	<b>POWER &amp; FUEL CONSUMPTION</b>			
	a) Electricity purchased			
	Units	KWH in lacs	92.06	115.20
	Amount	Rs. In lacs	654.94	809.07
	Rate per unit	Rs. Per unit	7.11	7.02
	b) Own generation		----	----
	Through Diesel Generator	KWH In lacs	----	----
	Units per liter	Units	----	----
	Cost of Diesel/LDO	Rs. In lacs	----	----
	Rate per unit	Rs. Per unit	----	----
<b>B</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		----	----
	Polyester Yarns/ Polyester Sewing Thread	KWH/Kg	5.79	4.31

**II. TECHNOLOGY ABSORPTION**

Efforts made in Technology Absorption are furnished as per Form B of the Annexure to the Rules are as under:-

**A) RESEARCH AND DEVELOPMENT (R&D)**

- a) Specific areas in which Research & Development is carried out by the company

Research & Development is carried out for improvement in the production process, appraisal of alternative raw materials and quality of existing products.

- b) Benefits derived as a result of above R&D

The company has been continuously improving the quality of its existing products and also been able to reduce the cost of production.

- c) Future Plan of Action

- 1 Increase in Productivity
- 2 Reduction in operational costs

- d) Expenditure on R&D : Nil

**B) TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION****a) Efforts made**

The company is making efforts for adaption of latest technology in its unit, optimization of processes and efficient utilization of inputs on-going basis.

**b) Particulars of technology imported in the last five years**

- |                                           |      |
|-------------------------------------------|------|
| a) Technology Imported                    | Nil  |
| b) Year of Import                         | N.A. |
| c) Has the technology been fully absorbed | N.A. |

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL**

**CORPORATE GOVERNANCE REPORT**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**1. Company's Philosophy on the Code of Governance**

The company continuously strives to improve its level of overall efficiency through good corporate governance which, envisages transparency, professionalism and accountability in all its operations.

**2. Board of Directors****a) Composition**

The Board of Directors of your company has an optimum combination of executive and non executive directors with rich knowledge and experience in Industry & other sectors for providing strategic guidance and direction to the company.

At present, the company has four Directors (including Woman Director) on its Board with Non Executive Independent Director as Chairman of the company. The Independent Directors are professionals in their field and possess background of financial and legal. During the year under review, there was no pecuniary relationship or business transaction with Independent directors with the company. Besides independent directors, there is one Executive Director on the Board, who is capable of handling diverse nature of business of the Company. The composition of the Board is as per the requirements of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b) Meetings of Board and its Committees**

Meetings of Board and its committee were held as and when required. During the year, under review, the Board of Directors met 10 (Ten) times on 23.04.2019, 18.05.2019, 30.05.2019, 14.06.2019, 08.07.2019, 14.08.2019, 31.08.2019, 14.11.2019, 14.02.2020 and 20.03.2020.

The names, categories of Directors on the Board, their attendance at the board meeting during the year and the last Annual General Meeting, and also the number of directorships and Committee membership held by them in other companies are as per details given below:-

Name of Directors	Designation	Category	No. of Board Meeting Attended	Attendance at last AGM	No. of directorship of other Indian public limited companies	No. of chairmanship/ membership of committees in other companies
Sh. Sandeep Jindal	Managing Director	Promoter, Executive	10	Yes	5	2
Ms. Alisha	Director	Non Executive, Independent	3	No	2	2
Sh. Kartar Chand Dhiman	Director	Non Executive, Independent	10	Yes	4	2
Sh. Kanik Sharma\$	Director	Non Executive, Independent	6	Yes	1	--
Sh. Rajesh Khanna*	Director	Non Executive, Independent	1	No	--	--
Sh. Anil Kumar*	Director	Non Executive, Independent	1	No	--	--

\*Sh. Rajesh Khanna and Sh. Anil Kumar has resigned from the directorship of the company with effect from 18<sup>th</sup> May, 2019.

\$Sh. Kanik Sharma was appointed as additional director of the company with effect from 8<sup>th</sup> July, 2019.

**c) Code of Conduct:**

The Company has laid down a Code of Conduct for all Board members and senior management of the company. The code has been circulated to all the members of the Board and senior management and they have affirmed the compliance with the code of conduct. A declaration to this effect signed by the Managing Director forms part of the annual report.

**d) Promoters/Directors Shareholding as on 31st March, 2020 :-**

Name of Directors	No. of Shares	% of total Equity Capital
Sh. Yash Paul Jindal	1978438	4.40
Sh. Sandeep Jindal	150630	0.33
Sh. Ramesh Jindal	2636008	5.86
Sh. Rajinder Jindal	2477052	5.50

\*None of the other director holds any share in the equity capital of the company.

**3. Others Committees at Board level****(A) Audit Committee**

During the year under review, the Audit Committee was reconstituted consequent upon the resignation given by Sh. Rajesh Khanna, Sh. Anil Kumar. The reconstituted Audit Committee comprises of the following Directors namely, Sh. Kartar Chand Dhiman, Sh. Kanik Sharma and Sh. Sandeep Jindal.