



# RISHI TECHTEX LIMITED

## 30<sup>TH</sup>

ANNUAL REPORT  
2013-2014

---

## BOARD OF DIRECTORS

Mr. H.B. Patel - **Chairman**  
Mr. P.J. Patel - **Director**  
Mr. A.N. Nopany - **Director**  
Mr. Abhishek Patel - **Whole-Time Director**

## COMPANY SECRETARY

Mr. Vasant Goray (Retired on 31.05.14)  
Ms. Nidhi Shah (Appointed from 01.06.14)

## AUDITORS

Alladi Krishnan & Kumar  
4, Marshal, Mogal Lane,  
Mahim, Mumbai - 400016.

## BANKERS

Canara Bank,  
Tamarind Lane Branch,  
Crossly House, Fort,  
Mumbai - 400001.

## REGISTRAR AND TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.,  
19/20, Jaferbhoy Industrial Estate,  
1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Andheri (E),  
Mumbai – 400059.

## REGISTERED OFFICE

612, Veena Killedar Industrial Estate,  
10/14, Pais Street, Byculla (W),  
Mumbai – 400011.

## WORKS

Causeway Road  
Village Kachigam, Taluka Daman  
Union Territory of Daman & Diu.

## CONTENTS

Notice .....	2
Directors' Report .....	15
Corporate Governance Report .....	18
Declaration of The Whole-Time Director .....	23
Auditors' Certificate .....	23
Management Discussion & Analysis .....	24
Independent Auditor's Report .....	27
Annexures to Auditor's Report.....	28
Balance Sheet .....	30
Profit & Loss Account .....	31
Cash Flow Statement .....	32
Notes Forming part of Accounts.....	33
Proxy Form .....	51
Attendance Slip .....	52



## **RISHI TECHTEX LIMITED**

**CIN: L28129MH1984PLC032008**

**Regd. Office: 612, Veena Killedar Industrial Estate, 10-14 Pais Street, Byculla (W), Mumbai - 400 011.**

**Tel No. 022-23075677/23074585 | Fax No. 022-23080022 | Email : [info@rishitechtex.com](mailto:info@rishitechtex.com),**

**Website:[www.rishitechtex.com](http://www.rishitechtex.com)**

### **NOTICE**

Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of Rishi Techtex Limited (CIN - L28129MH1984PLC032008) will be held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 12.30 p.m. at Indian Merchants' Chamber, Khilachand Conference Room, 2<sup>nd</sup> floor, IMC Marg, Churchgate, Mumbai 400020 to transact the following business.

#### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2014 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 and other provisions as may be applicable, if any, the Company hereby approves the appointment of M/s. Alladi Krishnan & Kumar, having Firm's Registration No. 100282W, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting on such remuneration as may be decided by the Board of Directors in consultation with the Auditors".

#### **AS SPECIAL BUSINESS**

3. To appoint Mr. Arvind Nopany (DIN: 00148521) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 149, 152 of the Companies Act, 2013 and such other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the said Act, the Company hereby approves the appointment of Mr. Arvind Nopany (DIN: 00148521), Director of the Company, as an Independent Director of the Company for a term of five (5) years, to hold office upto the conclusion of the 35<sup>th</sup> Annual General Meeting"

4. To appoint Mr. Pranav Patel (DIN: 00171387) as an Independent Director and in this regard, to consider and if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 149, 152 of the Companies Act, 2013 and such other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the said Act, the Company hereby approves the appointment of Mr. Pranav Patel (DIN: 00171387), Director of the Company, as an Independent Director of the Company for a term of five (5) years, to hold office upto the conclusion of the 35<sup>th</sup> Annual General Meeting"

5. To appoint Mr. Abhishekh Patel (DIN: 05183410) as Managing Director and in this regard, to consider and if thought fit, to pass with or without modifications the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), the Company hereby approves the appointment of Mr. Abhishek Patel (DIN: 05183410) as Managing Director of the Company, subject to retire by rotation for a period of Three Years from 1<sup>st</sup> of November, 2014, on remuneration and Perquisites not exceeding the maximum limits specified in Schedule V and on such other terms and conditions and as set out in the Draft of the Agreement to be entered into between the Company and Mr. Abhishek Patel, placed before this Meeting and initialed by the Chairman for identification and the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred on the Board by this resolution) be and is hereby authorised, with the acceptance of Mr. Abhishek Patel and with the consent of Central Govt., or any other authorities, where necessary, to vary or increase or enhance the Scope of the Remuneration or Perquisites as and when deem fit."

**"RESOLVED FURTHER THAT** the Company Secretary be and is hereby authorised to do all such Acts, Deeds, Matters and things as may be considered necessary, proper and expedient to give effect to this resolution."

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits Mr. Abhishek Patel will be paid Remuneration to the extent provided in Schedule V of the Companies Act, 2013."

6. To borrow and raise money and to mortgage or create charge on the properties of the Company and in this regard to consider and if thought fit, to pass with or without modifications the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approval(s) of appropriate authorities, as may be necessary, consent of the

members of the Company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors for the time being authorised by the Board of Directors to exercise the powers conferred on the Board by this resolution), to borrow and raise such sum or sums of money in any manner from time to time, from any one or more Banks, Individuals, Persons, Firms, Bodies Corporate, Financial Institutions, Mutual Funds, Foreign Banks, Foreign Financial Institutions, Foreign Institutional Investors, Overseas Corporate Bodies, Overseas Mutual Funds, Trusts, Institutions, bodies, entities, or persons, whether incorporated or not and whether Indian or foreign, and whether by way of cash credit, term loans, advances, deposits, loans, ICD or bill discounting. Deferred payment credit/ guarantees, issue of Securities, Bonds or other debt instruments, external commercial borrowings or by way of any other permitted mode of borrowings, whether convertible or not; and whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge, or any other kind of security created on the assets and/or properties of the Company, its subsidiaries, Joint Ventures, Associates, or of any other person(s) or individual(s); whether immovable or movable, tangible or intangible, or stock-in-trade (including raw materials, spare parts and components, in stock or in transit and work-in-progress), or by any kind of guarantees and all or any of the undertakings of the Company, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company and outstanding at any time shall not exceed the sum of Rs.20 Crores (Rupees Twenty Crores Only), exclusive of interest and other charges on such borrowings."

**"RESOLVED FURTHER THAT** consent and authority be and is hereby given to the Board to do all such acts, deeds, matters and things as it may at its discretion deem fit and proper including, if and when necessary, creation of such mortgage(s) and / or charge(s) in respect of the Securities or on the whole or substantially the





whole of all or any of the undertaking(s) of the Company as contemplated by Section 180 (1)(a) of the Companies Act, 2013 in connection therewith and to execute all requisite documents or writings for giving effect to this Resolution."

7. To Accept Unsecured Deposits from its members and in this regard to consider and if thought fit, to pass with or without modifications the following Resolution as an **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite / accept / renew from time to time unsecured deposits from the members of the Company upto permissible limits as prescribed under Companies (Acceptance of Deposits) Rules, 2014."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Harshad Patel, Director or Mr. Abhishek Patel, Whole-Time Director of the Company be and is hereby authorised to do such acts, deeds, things and matters as the Board of Directors may in its absolute discretion consider necessary or appropriate for such invitation / acceptance / renewal of Deposits by the Company".

8. To approve the appointment and remuneration of the Cost Auditors for financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 148 of the Companies Act, 2013, read with section 233B of the Companies Act, 1956 and Central Government order No.52/26/CAB/2010 issued dated 24.01.2012, directing the audit of the company's cost accounts relating to Plastic Industry covered under Chapter Heading NO.39 of the Central Excise Tariff Act, 1985 for the year ended 2014-15, M/s P K Chatterjee & Associates, Cost Accountants, Surat be and is hereby appointed as Cost Auditors to conduct the audit of the cost accounts of the company in respect of manufacturing of plastic woven sacks & shade nets at the Unit of the Company situated at Survey No. 381, Causeway Road, Village Kachigam, Taluka- Daman, Union Territory of Daman & Diu for the financial year 2014-15 at a remuneration of Rs.50,000/-including all things."

**"RESOLVED FURTHER THAT** Mr. Abhishek Patel, Whole-Time Director or Mr. Harshad Patel, Director of the Company be and are hereby severally authorised to make an application to central government in Form 23C and to comply with all other formalities in this regard."

**Registered Office:**

612, Veena Killedar Industrial Estate,  
10-14, Pais Street, Byculla (W), Mumbai - 400011

**By Order of the Board  
For Rishi Techtex Ltd.**

Dated : 29th May, 2014

**Vasant Goray  
Company Secretary**

**NOTES:**

A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

B. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting.

C. Pursuant to the provisions of Section 105 of the Companies Act, 2013, 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. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable.

D. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special business to be transacted at the Meeting is annexed hereto.

E. Particulars required for appointment/ Reappointment of Directors pursuant to clause 49 of the Listing Agreement:

**Mr. Arvind Nopany** aged 49 years is a commerce graduate with a degree in Management. He is the Managing Director of Garrison Polysacks Pvt. Ltd. and has over 25 years of experience in Business. He is not holding any shares in the Company.

**Mr. Pranav Patel** aged 45 years is a Commerce Graduate with over 24 years business experience. He has been acting as Director since September, 2001. He is presently the Managing Director of M.P. Dychem Industries Pvt. Ltd. He holds 1767 shares in the Company.

F. The Register of Members and Share Transfer Books of the Company will remain closed from 26.9.2014 to 30.9.2014 (both days inclusive).

G. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.

H. 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 authorising their representative to attend and vote on their behalf at the Meeting.

I. Voting through electronic means (E-Voting):

1. In accordance with the applicable provisions of Listing Agreement and Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules), the Company is pleased to provide facility to its members, to cast their vote electronically for all the resolutions proposed at the 30<sup>th</sup> Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.

2. The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut off date August 22, 2014.

3. The voting period begins on Tuesday, September 23, 2014 at 9.00 a.m. and ends at on Thursday, September 25, 2014 at 6.00 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 of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

4. V. Sundaram & Co. has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner

5. The Procedure and Instructions for e-voting are as under:

i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com), during the voting period

ii) Click on "Shareholders" tab.



## RISHI TECHTEX LIMITED

- iii) Now, select the "RISHI TECHTEX LIMITED" from the drop down menu and click on "SUBMIT".
- 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](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:

	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> <p>*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 last 8 digits of the demat account/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. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
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#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

#Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date** in the **Dividend Bank details field**.

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly 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
- x) take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Rishi Techtex 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) 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.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and send the scan copy of Board Resolution/POA to [vsundaramfcs1@hotmail.com](mailto:vsundaramfcs1@hotmail.com)
- xviii) **In case of members receiving the physical copy:**
  - (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
  - (B) The voting period begins on September 23, 2014 at 9.00 a.m. and ends at on September 25, 2014 at 6.00 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 (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- xix) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xx) The results of e-voting shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges.

**Registered Office:**

612, Veena Killedar Industrial Estate,  
10-14, Pais Street, Byculla (W), Mumbai - 400011

**By Order of the Board  
For Rishi Techtext Ltd.**

Dated : 29th May, 2014

**Vasant Goray  
Company Secretary**





## **ANNEXURE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 3 & 4:**

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Arvind Nopany and Mr. Pranav Patel, being Independent Directors of the Company, are being appointed for a term of 5 years, upto the conclusion of the 35th Annual General Meeting and during this term they shall not be liable to retire by rotation.

The Company has received declarations from both the Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the candidature for appointment of aforesaid Independent Directors. In the opinion of the Board also they fulfill the conditions specified in the said Act for appointment as independent Directors.

The Board recommends the Ordinary Resolutions as set out at item nos. 3 & 4 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are in any way concerned or interested, financially or otherwise, in these Resolutions.

#### **Item No.5 (As per Schedule V of the Companies Act, 2013)**

##### **1. General Information:**

Rishi Techtex Ltd formerly known as Rishi Packers Limited was incorporated on 7.2.1984. It is mainly engaged in the manufacture of Woven Sacks and Shade Nets. The Company has achieved net sales of Rs.4331.17 Lacs during the year as compared to Rs.3553.03 Lacs in the previous year. The Company has earned a profit of Rs.126.82 Lacs in the year as compared to a loss of Rs. 96.17 lacs in the previous year. The company has no foreign investment or collaboration.

##### **2. Information about the appointee:**

Mr. Abhishek Patel was appointed as Whole-Time Director in the AGM held on 20<sup>th</sup> November, 2012

subject to the provisions of sections 269,198,309 and Schedule XIII of the Companies Act 1956. However, after the Companies Act, 2013 coming into force it is proposed to appoint of Mr. Abhishek Patel as Managing Director of the Company under the new provisions of Companies Act, 2013, for a period of Three Years from 1<sup>st</sup> of November, 2014 subject to retire by rotation.

Mr. Abhishek Patel is 28 years of age and is a Commerce Graduate from University of Mumbai and also holds a Bachelor's degree in Economics and Management from London School of Economics and Political Science. He has five years of business experience. Being a young personality with five years of experience, the Board felt that it is advisable to appoint him as Managing director of the Company who will manage the business efficiently and take it forward on a proper growth path.

Further it is proposed to pay remuneration and Perquisites not exceeding the maximum limits specified in Schedule V and on such other terms and conditions and as set out in the Draft of the Agreement to be entered into between the Company and Mr. Abhishek Patel. The draft Agreement contains interalia, the following terms and conditions:

Period	Three years with effect from 1 <sup>st</sup> November, 2014
Salary per month	Not exceeding Rs.3,50,000/-
Commission	Not exceeding 1% of Net profits
Perquisites	Perquisites will be limited to an amount equal to salary
Housing	House rent allowance up to 50% of salary. In case of rented accommodation, rent up to 50% of Salary will be paid to the Managerial Person
Expenses on Gas Electricity, water Furnishing	Not exceeding 10% of salary (valued as per and Income Tax Rules)
Leave	One month for every eleven months of service.

	Leave accumulated and not availed can be encashed at the end of each year or at the end of tenure.
Medical Reimbursement	Reimbursement of expenses incurred for self and family.
Leave travel concession	Plane fare for self and family once in a year to any place within the country.
Personal Accident Insurance	Personal Accident Insurance for an amount, the annual premium of which does not exceed Rs.10000/-
Provident Fund	a) Company's contribution towards PF – not exceeding 12% of salary. b) Company's contribution towards Superannuation fund as per the rules of the Company.
Gratuity	One months' salary for each completed year of service.
Car	Free use of Company maintained car with chauffeur.
Telephone	Free Mobile phone and basic telephone facility at home.

Family means the Spouse, the dependent children and dependent parents of the Managerial person.

Contribution towards PF, Gratuity and Superannuation fund and encashment of Leave will not be included in the Computation of ceiling on perquisites to the extent these either singly or taken together are not taxable under the Income Tax Act.

Mr. Abhishek Patel is the son of Chairman of the Company, i.e. Mr. Harshad Patel.

### 3. Other information:

During the year the company has achieved profit of Rs.126.82 lacs which is inadequate to pay the present remuneration as per provisions of section 197. Therefore, the remuneration is proposed as per section II of part II of schedule V. The lower profits are mainly due to increase in cost of raw material which could not immediately be passed on to the customers. In addition

instability of currency rates also caused large fluctuations on raw material prices which has an adverse effect on profitability. However steps have been taken for improvement by revising the prices on both export and domestic front to improve the profitability.

### 4. Disclosures:

The Disclosures prescribed under Part IV of section II of Schedule V are mentioned in the Board of Director's report under the heading "Corporate Governance", attached to the financial statement

- The Special Resolutions contained in item no. 5 of the Notice seeks to approve the appointment of the Managing Director on remuneration and terms as set out in the draft of the proposed Agreement between the Company and Mr. Abhishek Patel, a copy of which will be available for inspection at the registered office of the Company on any working day up to the date of Annual General Meeting between 11 a.m and 1 p.m excluding Saturdays, Sundays and Holidays.
- The above shall be treated as abstract of the draft Agreement entered between the Company and the Mr. Abhishek Patel pursuant to Section 190 of the Companies Act, 2013.
- In case of absence or inadequacy of profits in any financial year, the remuneration stated above subject to limits specified in Schedule V will be paid as Minimum Remuneration to the Managing Director.
- The Board recommends his appointment. No Director or Key Managerial Personnel or their relatives other than Mr. Abhishek Patel and his father Mr. Harshad Patel are interested in the Resolution.

### Item no. 6

The Members of the Company at their Extra-Ordinary General Meeting held on 20<sup>th</sup> November 1992, had inter alia, passed an ordinary resolution pursuant to Section 293 (1) (d) and 293 (1) (a) of the Companies Act, 1956 (the Act), authorising the Board of Directors of the Company to borrow funds/money in excess of the aggregate of the paid-up capital of the Company and its free reserves (not including the temporary loans obtained from the bankers in the ordinary course of business), subject to the maximum limit of Rs.20 crores and to create mortgage/charge on the properties of the Company.