

2021-2022

**36th
ANNUAL REPORT**



**SUPERTEX
INDUSTRIES
LIMITED**

**BOARD OF DIRECTORS**

| | | |
|----------------|----|--------------------------------|
| R K MISHRA | .. | Chairman and Managing Director |
| S K MISHRA | .. | Director and CFO |
| P R KAPADIA | .. | Independent Director |
| M A SHARMA | .. | Independent Director |
| PIYUSH PATEL | .. | Independent Director |
| MEETA SHINGALA | .. | Independent Director |
| H V MISHRA | .. | Director |
| Y V MISHRA | .. | Director |

COMPANY SECRETARY

VAISHALI MUNGEKAR

AUDITORS

S M GUPTA & CO.
Chartered Accountants

COST AUDITORS

NNT & CO.
Cost Accountants

SECRETARIAL AUDITORS

VIKAS R CHOMAL & ASSOCIATES
Practicing Company Secretaries

SOLICITORS

CRAWFORD BAYLEY & COMPANY
RAJANI ASSOCIATES

BANKERS

AXIS BANK
PUNJAB NATIONAL BANK

REGISTERED OFFICE

Plot No. 45/46, Phase II
Piperia Industrial Estate
Silvassa 396 230, Dadra & Nagar Haveli

HEAD OFFICE

Balkrishna Krupa, 2nd Floor
45/49 Babu Genu Road
Princess Street, Mumbai 400 002

WORKS

1. Unit I & II : Plot No. 45 & 46
Phase II, Piperia Industrial Estate
Silvassa 396 230, Dadra & Nagar Haveli
2. Unit III : 213, Kharvel
Behind Kharvel Sub-Station
Dharampur 396 050
Dist. Valsad, Gujarat

REGISTRAR AND SHARE TRANSFER AGENT

LINK INTIME INDIA PVT. LTD.
C 101, 247 Park, LBS Marg
Vikhroli - West, Mumbai 400 083

**NOTICE**

Notice is hereby given that the 36th Annual General Meeting of members of SUPERTEX INDUSTRIES LIMITED will be held on Friday, the 30th day of September, 2022 at 10.30 a.m., at the Registered Office of the Company at Plot No. 45-46, Phase II, Piperia Industrial Estate, Silvassa (Dadra & Nagar Haveli) to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2022 together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Yashvardhan Mishra, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT, in accordance with the provisions of Section 148 of the Companies Act, 2013, or any amendment thereto or modification thereof, the remuneration of M/s NNT & Co., Cost Accountants, (Firm Registration No. 100911), appointed by the Board of Directors of the Company as the Cost Auditor to conduct audit of Cost Records maintained by the Company in respect of textiles for the financial year 2022-23, at a remuneration of Rs. 55,000/- (Rupees Fifty-Five Thousand only), and reimbursement of out-of-pocket expenses, as may be incurred in the course of audit, be and is hereby ratified"

4. To consider and, if thought fit, to pass the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013 and Regulation 17 (6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company, be and is hereby accorded to the re-appointment of Mr. Harshvardhan Mishra (DIN 02819207) as a Whole Time Director of the Company for a period of five years commencing from October 01, 2022 up to September 30, 2027, liable to retire by rotation, on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."

5. To consider and, if thought fit, to pass the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, Mr. Piyush Patel (DIN: 09655113) who has been appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company by the Board of Directors effective from June 30, 2022 in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from June 30, 2022 to June 29, 2027, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient and to do any acts, deeds, matters and things to give effect to this resolution."

By Order of the Board

R K Mishra

Chairman & Managing Director

Mumbai, 09th August, 2022

Registered Office
Plot No. 45-46, Phase II
Piperia Industrial Estate
Silvassa-396230,
Dadra & Nagar Haveli.



Notes:

1. The statement pursuant to Sec. 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. The enclosed proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. Corporate members intending to authorise its representatives to attend the Meeting are requested to submit to the Company at its Registered Office, a certified copy of Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. M/s. Link Intime India Pvt Ltd, C 101, 247 Park, LBS Marg, Vikhroli – West, Mumbai – 400083, are the Registrar and Share Transfer Agent of the Company. You are requested to forward all your correspondence relating to the shares of the Company to them directly at the aforesaid address.
5. In case of joint holders attending the meeting, only such joint holder whose name appears as the first holder in the order of names will be entitled to vote during the AGM.
6. In view of relaxations given by MCA circulars and SEBI circulars, the Annual Report including Financial Statements, Auditor's Report, Board Report, Notice of AGM, along with the all annexure and attachments thereof is being sent through email to those Members whose email addresses are registered with the Company /Depositories and no physical copy of the same will be sent by the Company, unless any member has requested for a physical copy of the same. Members may note that the Notice and Annual Report of the Company for the financial year 2021-22 will also be made available on the Company's website at www.supertex.in and on website of the Bombay Stock Exchange.
7. Details under Regulation 36 (3) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 in respect of the Directors seeking appointment/ reappointment at the Annual General Meeting, forms integral part of the notice.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 23rd September, 2022 to Friday, the 30th September, 2022 (both days inclusive).
9. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.
10. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated 25th January 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. In view of above and to eliminate all risks associated with physical shares and to avail various benefits of dematerialization, members holding shares in physical form are advised to dematerialize the shares held by them. Members can contact the Company or the RTA for assistance in this regard.

Further pursuant to SEBI Circular dated 3rd November, 2021 for updation of KYC Details, the company has sent letters to all the members to update their KYC details with the RTA before 31st March, 2023 failing which the folios will be frozen. KYC Letter along with Form ISR-1, ISR-2, ISR-3 and SH-13 is available on company's website www.supertex.in under the Announcement Section - **"Important Announcement on Norms for furnishing PAN, KYC and Nomination"**. In view of this, the members are requested to complete their KYC before 31st March, 2023.
11. **Voting through electronic means:**
 1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020



and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting will be provided by CDSL.

- II. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.supertex.in. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
- III. The facility for voting through ballot 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 ballot paper.
- IV. Mr. Vikas Chomal of M/s Vikas R. Chomal and Associates, Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- V. The process and manner for remote e-voting is as under:

The instructions for shareholders voting electronically are as under:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, 27th September, 2022 at 9.00 am and ends on Thursday, 29th September, 2022 at 5.00 pm. 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 22nd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholder's/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login methods for e-Voting for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. |



| Type of shareholders | Login Method |
|--|---|
| | <ol style="list-style-type: none"> 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> |



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact toll free no.1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for Remote e-voting for **physical shareholders and shareholders other than individuals holding in demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

| For Physical shareholders and other than individual shareholders holding shares in Demat. | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field. |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the Supertex Industries Limited on which you choose to vote.
- (x) 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.

- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@supertex.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **RTA email id, rnt.helpdesk@linkintime.co.in**.
2. For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

Declaration of Results:

- 1) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 2) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 3) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company



www.supertex.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

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

ITEM 3

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s NNT & Co., Cost Accountants (Firm Registration No. 100911), to conduct the audit of the cost records of the Company for the FY 2022-23. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023 by passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution set out at Item No.3.

ITEM 4

The Board of Directors at its meeting held on 30th June, 2022, on the recommendation of Nomination and Remuneration Committee, approved the re-appointment of Mr Harshvardhan Mishra as a Whole Time Director of the Company for a period of five years w.e.f. 1st October, 2022.

The details of remuneration payable to Mr Harshvardhan Mishra and the terms and conditions of the re-appointment are given below:

(A) Remuneration:

- (1) Salary:
Rs. 58,000/- per month in the scale of Rs.58,000-4,500-76,000 per month.
- (2) Commission:
Commission as may be decided by the Board of Directors based on the net profit of the Company in each year, not exceeding 1% of Net Profits.
- (3) Perquisites:
 - a) House Rent Allowance of Rs. 20,000/- per month.
 - b) Medical Reimbursement: Reimbursement of actual medical expenses incurred in India and/or abroad for self and family.
 - c) Leave Travel Concession: For self and family once in a year incurred in accordance with the rules of the Company.
 - d) Personal Accident Insurance for which Premium shall not exceed Rs. 10,000/- per annum.
 - e) Company's contribution towards Provident Fund, Superannuation Fund or annuity as per the Rules of the Company.
 - f) Gratuity, not exceeding one half month's salary for each completed year of service.
 - g) Provision of car for use on Company's business and telephone at residence which will not be considered as perquisites. However, the use of office car for personal purpose and personal long distance calls on telephone will be billed by the Company to the Director.
 - h) Mediclaim Policy: For self and family, premium not exceeding Rs. 75,000/- per annum.
 - i) Life insurance policy including Unit Linked/ Keyman Insurance Policy, premium not exceeding Rs. 3,00,000/- per annum.
 - j) Bonus : As per Company's policy.

(B) Minimum Remuneration:

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profit in any financial year, during the terms of office of the Whole Time Director, the remuneration by way of salary, perquisites, commissions and other benefits shall not, without the permission of Central Government (if required) exceed the limits prescribed under the Act including Section II of Part II of Schedule V thereof and rules made hereunder or any amendment, modification, variation or re-enactment thereof.

(C) Leave :

Earned/Privilege leave on full pay and allowance as per rules of the Company, but not exceeding one month's leave for



every 11 (eleven) months of service. Unavailed leave at the end of the tenure will be allowed to be encashed.

- (D) The appointment will be subject to termination by three months' notice in writing by either side.
- (E) Subject to such approval(s) as may be required, the terms and conditions of the above appointment may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit, within the limits specified and in accordance with the provisions of the Companies Act, 2013 or otherwise as may be permissible at law.

Except Mr Harshvardhan Mishra, being an appointee, and Mr R K Mishra, Mr S K Mishra and Mr Yashvardhan Mishra, being relatives, none of the other directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. The Board recommends the resolution set out at Item 4 as Special Resolution for your approval.

Statement containing additional information as required in Schedule V of the Companies Act, 2013

I. General information:

- (1) Nature of industry: The Company is engaged in Texturising, Twisting, Draw Warping and Sizing of Polyester Filament Yarn from P.O.Y procured from market.
- (2) Date of commencement of commercial production: 18th July, 1986.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- (4) Financial performance based on given indicators: (Rs. in Lakhs)

| | FY 2021-22 | FY 2020-21 |
|---------------------------|-------------------|-------------------|
| Total Revenue | 6698.56 | 6446.22 |
| Profit Before Tax | 18.18 | 51.06 |
| Net Profit for the period | 12.16 | 56.24 |

- (5) Foreign investments or collaborations, if any.: NIL

II. Information about the appointee, Mr Harshvardhan Mishra:

- (1) Background details: Kindly refer Annexure – I to the Notice.
- (2) Past remuneration: (Rs. in Lakhs)

| 2021-22 | 2020-21 | 2019-20 |
|---------|---------|---------|
| 7.13 | 6.65 | 7.55 |

- (3) Recognition or awards: Under the able and dynamic directions of Mr Harshvardhan Mishra, the Company has witnessed financial growth and stability. His continued association will be beneficial to the Company.
- (4) Job profile and his suitability: Mr. Harshvardhan Mishra, is young, MBA from Welingkar Institute and is a commerce graduate. He has additionally been trained in the various departments of the Company from past nine years and knows the machinery, the processes and the marketing of the products.
- (5) Remuneration proposed: As stated in the Explanatory Statement at Item No.4 of this Notice.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration of Mr. Harshvardhan Mishra is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size and nature of its business.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel: Mr Harshvardhan Mishra except receiving remuneration as a Whole Time Director, does not have any other pecuniary relationship with the company. He holds 4168 shares of the Company and belongs to the Promoter Group. Mr Harshvardhan Mishra is son of Mr R K Mishra, Chairman and Managing Director, nephew of Mr S K Mishra, Executive Director & CFO and cousin of Mr Yashvardhan Mishra, Whole Time Director of the Company.

III. Other information:

- (1) Reasons of loss or inadequate profits: Due to disrupted economic and financial activities pursuant to Covid-19 pandemic, the Company's profitability got affected. The Company will take some additional time for sustained growth before the Company can generate adequate profits.
- (2) Steps taken or proposed to be taken for improvement: The Company has strategically planned to address the