



SURAT TEXTILE MILLS LIMITED

A decorative graphic on the left side of the cover, consisting of several overlapping diamond shapes in various shades of green and yellow, set against a dark grey background.

ANNUAL REPORT
2019 - 2020

CORPORATE INFORMATION

Board of Directors:**Manikant R. Momaya** (DIN: 00023993)

Managing Director

Yogesh C. Papaiya (DIN: 00023985)

Wholetime Director & CFO

Harishchandra Bharucha (DIN: 00138430)**Ketan Jariwala** (DIN: 02095540)**Kruti Kothari** (DIN: 08502921) *

* w.e.f. 09/07/2019

Hanisha Arora

Company Secretary

Registered Office:6th Floor, Tulsi Krupa Arcade,
Near Aai Mata Chowk,
Puna-Kumbharia Road, Dumbhal,
Surat 395010.

CIN: L17119GJ1945PLC000214

Tel: (0261) 2311198.

Fax: (0261) 2311029.

e-mail: shareddepartment@stml.in

http://www.surattextilemillsLtd.com

Statutory Auditors:Sharp and Tannan Associates,
Chartered Accountants, Mumbai**Cost Auditors:**P. M. Nanabhoy & Co.,
Cost Accountants, Mumbai.**Bankers:**

Bank of Baroda

Plant:

Village Jolwa, Taluka Palsana,

Dist. Surat 394305

Tel: (02622) 271287-89

Registrars & Share Transfer Agents:

KFin Technologies Private Limited

Selenium Tower B, Plot 31 & 32,

Financial District, Gachibowli,

Nanakramguda,

Hyderabad 500032.

State: Telengana, India.

Phone No. 040 67161563

Fax No. 040 67161567

Email: einward.ris@kfintech.com

Toll Free No. 18003454001

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("Surat Textile Mills Limited" formerly known as "Garden Cottons & Yarns Ltd.")

74th Annual General Meeting on Tuesday, 22nd September, 2020 at 3:00 p.m. IST through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM') facility
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NOTICE

NOTICE is hereby given that the **74th ANNUAL GENERAL MEETING** of the Members of Surat Textile Mills Limited will be held on **Tuesday, the 22nd September, 2020 at 03:00 p.m.** IST through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM') facility to transact the following businesses.

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors' thereon.
- 2 To appoint a Director in place of Mr. Manikant R. Momaya (DIN: 00023993), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- 3 **To re-appoint Mr. Ketan Jariwala (DIN: 02095540) as an Independent Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and Rules made thereunder and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof, for the time being in force) and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Ketan Jariwala (DIN: 02095540), who has submitted a declaration that he meets the criteria for independence and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold office for a second term upto 4 (four) years commencing from 26th August, 2020 upto 10th August, 2024.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

- 4 **To ratify the remuneration to Cost Auditors for the financial year ending 31 March, 2021**

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 and other applicable provisions of the Companies Act, 2013 read

with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the Statement annexed to the Notice, to be paid to M/s P. M. Nanabhoy & Co., Cost Accountants, having Firm Registration Number 000012, appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2021, be and is hereby ratified.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary, be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."

- 5 **To adopt new set of Articles of Association of the Company in conformity with the Companies Act, 2013**

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

"RESOLVED THAT pursuant to the provisions of Section 5, 14 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the shareholders of the Company be and is hereby accorded to adopt the new set of Articles of Association in place of the existing Articles of Association.

RESOLVED FURTHER THAT any of the Directors of the Company, which includes any Committee thereof and/or any Officer(s) of the Company, authorised by the Board be and are hereby severally authorised to do all such acts, deeds, matters and things and to sign all such other documents, in each stage, as they or any of them may deem necessary, proper and desirable (including without limitation making the appropriate e-filings with the Registrar of Companies / Ministry of Corporate Affairs), in connection with the adoption of new set of Articles of Association of the Company, as approved by the Board and the members of the Company and/or generally to give effect to this resolution."

- 6 **To adopt new set of Memorandum of Association of the Company in conformity with the Companies Act, 2013**

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

"RESOLVED THAT pursuant to the provisions of Section 4 and Section 13 and any other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the shareholders of the Company be and is hereby accorded for the modification, substitution, addition and deletion in following Clauses of the Memorandum of Association of the Company:

- a. The subject heading of existing Clause IIIA is deleted and replaced with "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:";
- b. The subject heading of existing Clause IIIB is deleted and replaced with the heading "MATTERS WHICH ARE

NECESSARY FOR THE FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE 3(a) ARE:"

- c. Clause III(C) : "OTHER OBJECTS "to be deleted;
- d. Other amendments required to align the existing Memorandum of Association with the provisions of the Companies Act, 2013

RESOLVED FURTHER THAT any of the Directors of the Company, which includes any Committee thereof and/or any Officer(s) of the Company, authorised by the Board be and are hereby severally authorised to do all such acts, deeds, matters and things and to sign all such other documents, in each stage, as they or any of them may deem necessary, proper and desirable (including without limitation making the appropriate e-filings with the Registrar of Companies / Ministry of Corporate Affairs), in connection with the adoption of new set of Memorandum of Association of the Company, as approved by the Board and the members of the Company and/or generally to give effect to this resolution."

Notes:

1. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM' or 'Meeting') through Video Conferencing ('VC') facility or other audio visual means ('OA VM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI') vide its Circular dated May 12, 2020 ('SEBI Circular') has also granted certain relaxations.
2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with above mentioned MCA and SEBI Circulars, the 74th AGM of the Company is being conducted through VC/OAVM on Tuesday, 22nd September, 2020 at 3:00 p.m. (IST). In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards- 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
3. KFin Technologies Private Limited, Registrar & Transfer Agent of the Company, (earlier known as Karvy Fintech Private Limited) ("KFin" or "KFintech") shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at **Note No.21** below.
4. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning

the quorum under section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of Proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. The Explanatory Statement pursuant to Section 102(1) of the Act setting out material facts concerning the business under Item Nos. 3 to 6 of the Notice is annexed hereto. The relevant details pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
7. Messrs Sharp & Tannan Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 71st Annual General Meeting held on 2nd August, 2017. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
8. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM, i.e. 22nd September, 2020. Members seeking to inspect such documents can send an email to shareddepartment@stml.in.
9. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutiniser at e-mail ID csjigarvyas@gmail.com with a copy marked to evoting@kfintech.com and to the Company at shareddepartment@stml.in, authorising its representative(s) to attend and vote through VC/ OAVM on their behalf at the Meeting, pursuant to Section 113 of the Act.
10. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:** In accordance with the MCA General Circular No. 20/2020 dated 5th May, 2020 and SEBI Circular No. SEBI/ HO/CFD/CMD1/

CIR/P/2020/79 dated 12th May, 2020, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2020 pursuant to section 136 of the Act and Notice calling the Annual General Meeting pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ KFinTech or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with KFinTech by following due procedure. A copy of the Notice of this AGM along with Annual Report for the Financial Year 2019-2020 is available on the website of the Company at www.surattextilemillsLtd.com, website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited at www.bseindia.com and on the website of KFin Technologies Private Limited at <https://evoting.karvy.com>.

11. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are KFin Technologies Private Limited having their office at Selenium, Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500032.
12. The Members can join the AGM in the VC/OA VM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the KFin Technologies Private Limited ('KFin') e-Voting website at <https://evoting.karvy.com>. The facility of participation at the AGM through VC/OA VM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC/OA VM form part of the Notes to this Notice.
13. **BOOK CLOSURE:** The Register of Members and Transfer Books of the Company will be closed from Thursday, 17th September, 2020 to Tuesday, 22nd September, 2020 (both days inclusive) for the purpose of AGM.
14. **TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY:** As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.

Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFin Technologies Private Limited to seek guidance in the demat procedure. Members may also visit website of depositories viz. National Securities Depository Limited viz. <https://nsdl.co.in/faqs/>

faq.php or Central Depository Services (India) Limited viz. <https://www.cdsindia.com/investors/open-demat.html> for further understanding of the demat procedure.

15. **NOMINATION:** Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFin Technologies Private Limited at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
16. **CONSOLIDATION OF PHYSICAL SHARE CERTIFICATES:** Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
17. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to shareddepartment@stml.in by mentioning their DP ID & Client ID/Physical Folio Number.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
19. **SUBMISSION OF QUESTIONS / QUERIES PRIOR TO AGM:**
 - a. For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id shareddepartment@stml.in, at least 48 hours before the time fixed for the AGM i.e. by 3.00 p.m. (IST) on Tuesday, 22nd September, 2020, mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.
 - b. Alternatively, Members holding shares as on the cut-off date i.e. Wednesday, 16th September, 2020, may also visit <https://emeetings.kfintech.com> and click on the tab "Post Your Queries" and post their queries/views/ questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be closed 48 hours before the time fixed for the AGM at 3.00 p.m. (IST) on 22nd September, 2020.
 - c. Members can also post their questions during AGM through the "Ask A Question" tab, which is available in the VC/OAVM facility as well as in the one way live webcast facility. The Company will, at the AGM, endeavour to address the queries received till 3.00 p.m. (IST) on Tuesday, 22nd September, 2020 from those Members who have sent queries from their registered email IDs. Please note that Members' questions

will be answered only if they continue to hold shares as on the cut-off date.

20. **SPEAKER REGISTRATION BEFORE AGM:** Members of the Company, holding shares as on the cut-off date i.e. Wednesday, 16th September, 2020 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by visiting <https://emeetings.kfintech.com> and clicking on "Speaker Registration" during the period from Sunday, 20th September, 2020 (9:00 a.m. IST) upto Monday, 21st September, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

21. **INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) **ATTENDING THE AGM:** Members will be provided with a facility to attend the AGM through video conferencing platform provided by KFin Technologies Private Limited. Members are requested to login at <https://emeetings.kfintech.com> and click on the "Video Conference" tab to join the Meeting by using the remote e-voting credentials.
- b) Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in Note No. 23.
- c) Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.
- d) Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned at **Note No. 21** above in the Notice, and this mode will be available throughout the proceedings of the AGM.
- e) In case of any query and/or help, in respect of attending AGM through VC/OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC/OAVM' user manual available at the download Section of <https://evoting.karvy.com> or Manager- Corporate Registry, KFinTech at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana 500032 or at the email ID evoting@kfintech.com or on phone No.: 040-6716 1500 or call KFin Technologies Private Limited's toll free No.: 1800-3454-001 for any further clarifications.

22. **PROCEDURE FOR REMOTE E-VOTING:** In compliance with the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFin Technologies Private Limited on all resolutions set forth in this Notice, through remote e-voting. Members are requested to note that the Company is providing facility for remote e-voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

Instructions:

- a. Member will receive an e-mail from KFin Technologies Private Limited [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number ("EVEN"), USER ID and password:
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin Technologies Private Limited for e-voting, you can login by using your existing User ID and password for casting your vote.
 - (iii) After entering these details appropriately, click on "LOGIN".
 - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the "EVENT" i.e. Surat Textile Mills Limited.
 - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding

as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- (viii) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- (ix) Members holding multiple folios/ demat accounts shall vote separately for each folio/ demat account.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote.
- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., duly authorising their authorized representative(s) to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting to the Scrutiniser at his e-mail ID csjigarvyas@gmail.com with a copy marked to evoting@kfintech.com and to the Company at shareddepartment@stml.in. It should reach the Scrutiniser & the Company by email not later than Monday, 21st September, 2020 (5:00 p.m. IST). In case if the authorized representative attends the Meeting, the above mentioned documents shall be submitted before the commencement of AGM.

b. In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) and inform KFin Technologies Private Limited at the email ID evoting@kfintech.com (in case of Shares held in physical form):

- (i) Upon registration, Member will receive an e-mail from KFin Technologies Private Limited which includes details of E-Voting Event Number (EVEN), USER ID and password.
- (ii) Please follow all steps from **Note. No. 22(a) (i) to (xii)** above to cast your vote by electronic means.

23. OTHER INSTRUCTIONS:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download Section of <https://evoting.karvy.com> or write to email ID evoting@kfintech.com or on toll free No.: 1800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

c. The remote e-voting period commences on Friday, 18th September, 2020 (9:00 a.m. IST) and ends on Monday, 21st September, 2020 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Wednesday, 16th September, 2020 may cast their votes electronically.

The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

d. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on Wednesday, 16th September, 2020, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e. Wednesday, 16th September, 2020, he/she/it may obtain the User ID and Password in the manner as mentioned below:

- (i) If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD <space> Folio No. or DP ID Client ID to +91 9212993399. In case of physical holding, prefix Folio No. with EVEN. Example for NSDL: MYEPWD <SPACE> IN12345612345678 Example for CDSL: MYEPWD <SPACE> 1402345612345678 Example for Physical: MYEPWD <SPACE> XXXX1234567890 (XXXX being EVEN)
- (ii) If e-mail address or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of [https:// evoting.karvy.com](https://evoting.karvy.com), the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (iii) Member may call KFin Technologies Private Limited toll free number 1800-3454-001.
- (iv) Member may send an e-mail request to evoting@kfintech.com. KFin Technologies Private Limited shall send User ID and Password to those new Members whose e-mail IDs are available.

24. VOTING AT THE AGM:

- a. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- b. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.
- c. E-voting during the AGM is integrated with the VC/OAVM platform and no separate login is required for the same.
- d. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their

vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

- e. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting through VC/OAVM; however, these Members are not entitled to cast their vote again during the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting through VC/OAVM mode during the AGM.
25. The results shall be declared not later than forty-eight hours from conclusion of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at www.surattextilemillsLtd.com and the website of KFin Technologies Private Limited: <https://evoting.karvy.com> immediately after the results are declared and will simultaneously be forwarded to BSE Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office of the Company.
26. **PROCEDURE FOR REGISTERING THE EMAIL ADDRESSES AND OBTAINING THE AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES (IN CASE OF MEMBERS HOLDING SHARES IN DEMAT FORM) OR WITH KFIN TECHNOLOGIES PRIVATE LIMITED (IN CASE OF MEMBERS HOLDING SHARES IN PHYSICAL FORM):**
- I. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
 - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
 - b. Members holding shares in physical form may register their email address and mobile number with KFin Technologies Private Limited by sending an email request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.
 - II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with KFin Technologies Private Limited for registration of email addresses of the Members in terms of the MCA Circulars. Eligible Members who have not submitted their email address to the Company or KFin Technologies Private Limited are required to provide their

email address to KFin Technologies Private Limited, on or before 5:00 p.m. (IST) on Wednesday, 16th September, 2020.

The process for registration of email address with KFin Technologies Private Limited for receiving the Notice of AGM and login ID and password for e-voting is as under:

- i. Visit the link: https://ris.kfintech.com/email_registration/
 - ii. Select the Company name viz. Surat Textile Mills Limited.
 - iii. Enter the DP ID & Client ID / Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
 - iv. Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.
 - v. Enter your email address and mobile number.
 - vi. The system will then confirm the email address for receiving this AGM Notice. The Members may also visit the website of the Company www.surattextilemillsLtd.com and click on the "email registration" and follow the registration process as guided thereafter. Please note that in case of shareholding in dematerialised form, the updation of email address will be temporary only upto AGM.
- III. After successful submission of the email address, KFin Technologies Private Limited will email a copy of this AGM Notice along with the e-voting user ID and password. In case of any queries, Members are requested to write to KFin Technologies Private Limited.
- IV. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs / KFin Technologies Private Limited to enable serving of notices / documents / Annual Reports and other communications electronically to their email address in future.

By Order of the Board of Directors
For Surat Textile Mills Limited

Registered Office:

Tulsi Krupa Arcade, 6th Floor,
Puna-Kumbharia Road,
Dumbhal, Surat 395010.

Hanisha Arora
Company Secretary

Place: Surat
Date: 21st July, 2020

Statement pursuant to Section 102(1) of the Companies Act, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business as mentioned under Item Nos. 3 to 6 of the accompanying Notice dated 21st July, 2020

Item No.3:

The tenure of Mr. Ketan Jariwala (DIN: 02095540) as an Independent Director on the Board of the Company expires on 25th August, 2020.

In terms of Section 149 read with Schedule IV to the Act and relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), an Independent Director shall be eligible to be re-appointed for second term of maximum five years, on the basis of report of performance evaluation done by the Board and approval of Members by way of Special Resolution to be passed at a General Meeting.

Mr. Ketan Jariwala (aged 58 years) is an industrialist and a technocrat engaged in the business of man-made textiles and having more than two decades of experience in the field. He holds Diploma in Textile Technology from M.S. University, Baroda. He was first appointed as a Director on the Board of the Company on 11th August, 2014.

Mr. Ketan Jariwala does not hold any equity share in the Company and he is not related to any other Director and Key Managerial Personnel of the Company.

The Company has received his consent to act as a Director of the Company in the prescribed Form DIR-2 and a declaration in the prescribed form DIR-8 that he is not disqualified from being appointed as Director of the Company and also a confirmation that he meets the criteria of independence as specified in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and is also independent of the management of the Company. He has also confirmed that he was not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

In terms of Section 160 of the Act, the Company has received a notice in writing from a Member for proposing the candidature of Mr. Ketan Jariwala for the office of an Independent Director of the Company at the ensuing Annual General Meeting.

Based on the recommendations of Nomination and Remuneration Committee, the Board at its meeting held on 21st July, 2020, reviewed the performance evaluation of Mr. Ketan Jariwala and unanimously acknowledged his experience and expertise in the field of textiles, with over two decades and his valuable contribution as Independent Director, made during his first term with the Company, the Board re-appointed Mr. Ketan Jariwala as an Independent Director of the Company for the second term of 4 (four) years w.e.f. 26th August, 2020 upto 10th August, 2024, subject to approval of the Members of the Company.

Details of Mr. Ketan Jariwala are provided in the 'Annexure' to the Notice. Pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and (ii) Secretarial Standard on General Meeting issued by the ICSI, he shall be paid remuneration by way of sitting fees for attending meetings of the Board of Committees thereon, reimbursement of expenses for participating in the Board and other meetings.

Mr. Ketan Jariwala is interested in the Resolution set out at item No.3 of the Notice with regard to his appointment. Relatives of Mr. Ketan Jariwala may be deemed to be interested in the resolution to the extent of their shareholding, if any, in the Company.

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

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution set out at Item No.3 of the Notice for approval by the Members.

Item No.4:

The Company is directed under the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of cost records conducted by a cost accountant. Further, 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 has to be ratified by the Members of the Company.

The Board of Directors, on the recommendation of the Audit Committee at its Meeting held on 21st July, 2020 has approved the appointment of M/s. P. M. Nanabhoy & Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 at a remuneration of Rs.75,000/- plus applicable taxes and reimbursement of out of pocket expenses.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No.4 of the accompanying Notice for ratification of the remuneration to the Cost Auditors for the financial year ending 31st March 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 of the Notice for approval of the Members.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for ratification by the Members.

Item No.5:

The Articles of Association ("AOA") of the Company as currently in force was originally adopted in accordance with the provisions of the Companies Act, 1956. The references to specific Sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with introduction of new provisions of the Companies Act, 2013.

It is therefore proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific clauses from Table F of Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

It is therefore considered desirable to adopt a comprehensive new set of Articles of Association of the Company ("New Articles"), in substitution of and to the exclusion of the existing AOA.

The Board of Directors at its meeting held on 21st July, 2020 approved the alteration of Articles of Association of the Company as stated above to comply with the requirements under the Companies Act, 2013, subject to approval of shareholders.

Pursuant to the provisions of Section 14 of the Act, approval of the shareholders of the Company by special resolution is required for the adoption of the New Articles to replace the existing Articles of Association and accordingly, the approval of the shareholders is being sought for the adoption of the New Articles.

The proposed new draft of Articles of Association is available on www.surattextilemillsLtd.com of the Company and is also being available at the Company's registered office during working hours for the perusal of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.5 of the Notice for approval of the Members.

The Board recommends the Special Resolution set out at Item No.5 of the Notice for ratification by the Members.

Item No.6:

With introduction of the Companies Act, 2013 w.e.f. 1st April, 2014 many provisions of the Companies Act, 1956 have undergone changes with few of them become redundant. The present Memorandum of Association of the Company contains many matters which are required to be aligned with the requirements under the new Companies Act, 2013.

Your directors' in its meeting held on 21st July, 2020 has approved (subject to the approval of members) modification, substitution, addition and deletion in following Clauses of the Memorandum of Association of the Company:

- The subject heading of existing Clause IIIA is deleted and replaced with "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:";
- The subject heading of existing Clause IIIB is deleted and replaced with the heading "MATTERS WHICH ARE NECESSARY FOR THE FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE 3(a) ARE:"
- Clause III(C) : "OTHER OBJECTS "to be deleted;
- Other amendments required to align the existing Memorandum of Association with the provisions of the Companies Act, 2013.

The proposed new draft of Memorandum of Association is available on www.surattextilemillsLtd.com of the Company and is also being available at the Company's registered office during working hours for the perusal of the Members.

In terms of Section 4 and 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for proposed amendments in the Memorandum of Association of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.6 of the Notice for approval of the Members.

The Board recommends the Special Resolution set out at Item No.6 of the Notice for ratification by the Members.

By Order of the Board of Directors
For Surat Textile Mills Limited

Registered Office:

Tulsi Krupa Arcade, 6th Floor,
Puna-Kumbharia Road,
Dumbhal, Surat 395010.

Place: Surat
Date: 21st July, 2020

Hanisha Arora
Company Secretary