



SURAT TEXTILE MILLS LIMITED

ANNUAL REPORT

2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

Manikant R. Momaya (DIN: 00023993)
Managing Director (upto 28/04/2022)

Yogesh C. Papaiya (DIN: 00023985)
Wholetime Director & CFO (Upto 10/08/2022)

Alok P. Shah (DIN: 00218180)
Managing Director (w.e.f. 01/07/2022)

Paresh V. Chothani (DIN: 00218632)
Wholetime Director

Harishchandra Bharucha (DIN: 00138430)

Ketan Jariwala (DIN: 02095540)

Kruti Kothari (DIN: 08502921)

Deepak N. Shah (DIN: 07356807) (w.e.f. 11/08/2022)

CHIEF FINANCIAL OFFICER

Chandresh S. Punjabi

COMPANY SECRETARY

Mahek Gaurav Jaju

REGISTERED OFFICE

6th Floor, Tulsi Krupa Arcade,
Near Aai Mata Chowk,
Puna-Kumbharia Road, Dumbhal,
Surat 395010.
CIN: L17119GJ1945PLC000214
Tel: (0261) 2311198.
e-mail: shareddepartment@stml.in
<https://www.surattextilemillsLtd.com>

STATUTORY AUDITORS

Sharp and Tannan Associates,
Chartered Accountants, Mumbai

BANKERS

HDFC Bank
Bank of Baroda

REGISTRAR AND TRANSFER AGENTS

KFin Technologies Limited
(Unit: Surat Textile Mills Limited)
Selenium Tower B, Plot Nos. 31 & 32,
Financial District,
Serilingampally Mandal,
Hyderabad 500032.
State: Telengana, India.
Email: einward.ris@kfintech.com
Toll Free No. 1-800-309-4001

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

77th Annual General Meeting on Friday, 11th August, 2023 at 3:30 p.m. IST through Video Conferencing ('VC') / Other Audio - Visual Means ('OAVM') facility

NOTICE

NOTICE is hereby given that the **77th Annual General Meeting ("AGM")** of the members of **SURAT TEXTILE MILLS LIMITED** will be held on **Friday, 11th August, 2023, at 3:30 P.M. IST** through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**"), to transact the following business. The Venue of the meeting shall be deemed to be the Registered Office of the Company at Tulsi Krupa Arcade, 6th Floor, Puna-Kumbharia Road, Dumbhal, Surat 395010.

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2023 and the reports of Board of Directors and Auditors thereon, and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted".

2. To appoint a Director in place of Mr. Alok P. Shah, who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Alok P. Shah (DIN: 00218180), who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3. To approve the revision in terms of appointment and payment of remuneration to Mr. Alok P. Shah, Managing Director of the Company, with effect from 1st April, 2023 up to the remaining tenure of his present term ending on 30th June, 2025 and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203, read with Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and the rules made thereunder, including any statutory amendments, modification(s) or re-enactment thereof, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company, in furtherance of the special resolution passed in the 76th Annual General Meeting held on 13th September 2022 and subject to such other requisite approvals, as may be required, on the recommendation of the Nomination and Remuneration Committee, consent of the Members be and is hereby accorded for revision in terms of appointment and remuneration payable to Mr. Alok P. Shah (DIN: 00218180), Managing Director of the Company as set out in the Explanatory Statement, with effect from 01st April, 2023 up to the balance period of his current tenure ending on 30th June, 2025, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the currency of his tenure as per Section 197 read with Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this resolution be paid to Mr. Alok P. Shah, Managing Director, as minimum remuneration in accordance Schedule V of the Companies Act, 2013, by making requisite compliances prescribed in the said schedule;

RESOLVED FURTHER THAT save and except as aforesaid, all other existing terms and conditions of appointment and remuneration of Mr. Alok P. Shah (DIN: 00218180), passed at the 76th AGM shall continue to remain in full force and effect;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall include its committee thereof) be and is hereby authorised to alter and vary the terms and conditions of the said remuneration of Mr. Alok P. Shah as it may deem fit within limits permissible under the Act;

RESOLVED FURTHER THAT the Board of Directors and / or the Company Secretary of the Company, be and are hereby authorized to settle any question, difficulties or doubts, that may arise in regard to the said appointment as it may in its sole and absolute discretion deem fit and to delegate all or any of its power herein conferred to any director(s) and/or officer(s) of the Company 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 and for matters concerned or incidental thereto”.

Registered Office: By Order of the Board of Directors
Tulsi Krupa Arcade,
6th Floor, Puna-
Kumbharia Road,
Dumbhal, Surat 395010.
Mahek Gaurav Jaju
Company Secretary and
Compliance Officer
Place: Surat
Date: 6th July, 2023

Notes:

- In Accordance with the provisions of the Act, read with the Rules made thereunder and General Circular No. 10/2022 dated 28th December, 2022, other Circulars issued by the Ministry of Corporate Affairs (“MCA”) from time to time, and Circular No. SEBI/HO/CFD/PoD2/P/CIR/2023/4 dated 5th January, 2023 issued by SEBI (“the Circulars”), Companies are allowed to hold AGM through Video Conference/ Other Audio-Visual Means (“VC / OAVM”) upto 30th September, 2023, without the physical presence of members. The AGM of the Company is being held through VC / OAVM. KFin Technologies Limited, (“KFin”), the Company’s Registrar and Transfer Agent will provide the facility for voting through remote e-voting; for participating at the AGM through VC / OAVM and for e-voting during the AGM.
- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) in respect of business to be transacted at the 77th Annual General Meeting (“AGM”), as set out under Item No. 3 above is annexed hereto.
- The relevant details of the Directors as mentioned under Item Nos. 2 and 3 above as required under Regulation 36(3) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“the Listing Regulations”) and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Generally, a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since the AGM will be conducted through VC / OAVM, the facility for appointment of proxy by the members is not available for this AGM and hence, the proxy form is not annexed to the Notice. Further, attendance slip including route map is not annexed to this notice.
- The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, 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 up to the date of AGM. Members seeking to inspect such documents can send an email to shareddepartment@stml.in
- Book Closure:** The Register of Members and Transfer Books of the Company will remain closed from **Monday, 7th August, 2023 to Friday, 11th August, 2023 (both days inclusive)** for the purpose of AGM.
- Members are requested to address all correspondence to RTA, KFin Technologies Limited (formerly known as KFin Technologies Private Limited), Unit: Surat Textile Mills Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032.
- Authorised representatives of the corporate members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/ Authority Letter etc. authorizing them to attend the AGM, by email to shareddepartment@stml.in.
- Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at shareddepartment@stml.in.

Process for dispatch of Annual Report and Registration of email ID for obtaining a copy of the same:

11. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depository Participants ("DPs").

In case any member is desirous of obtaining physical copy of the Annual report for the Financial Year 2022-23 and Notice of the 77th AGM of the Company, he/she may send a request to the Company by writing at sharedepartment@stml.in or KFin Technologies Limited ("KFin"), Company's Registrar and Share Transfer Agent ("RTA") mentioning their DP ID and Client ID/ folio no.

Members may note that the Notice of the 77th AGM and the Annual Report 2022-23 will also be available on the Company's website, <https://www.surattextilemillsltd.com>, website of the stock exchange, i.e. BSE at www.bseindia.com and on the website of KFin Technologies Limited, <https://evoting.kfintech.com>.

12. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Annual Report 2022-23 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report.

| Type of holder | Process to be followed |
|----------------|---|
| Physical | For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032. |

| Type of holder | Process to be followed | |
|----------------|---|------------|
| | Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode | Form ISR-1 |
| | Update of signature of securities holder | Form ISR-2 |
| | For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014 | Form SH-13 |
| | Declaration to opt out | Form ISR-3 |
| | Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee | Form SH-14 |
| | Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form | ISR 4 |
| Demat | Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP. | |

13. Procedure for remote e-voting and e-voting during the AGM

- All the Shareholders of the Company are encouraged to attend and vote in the AGM to be held through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration Rules, 2014 and Regulation 44 of the Listing Regulations, (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), 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 KFin Technologies Limited for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by KFinTech.

- c. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who 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 the e-voting system during the AGM.
 - d. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
 - e. Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but they shall not be entitled to cast their votes again. Further, members who have voted on some of the resolutions during the remote e-voting period are also eligible to vote on the remaining resolutions during the AGM.
 - f. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
 - g. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e., as on 4th August, 2023, may cast their votes electronically. The e-voting period commences on Tuesday, 8th August, 2023 (9:00 a.m. IST) and ends on Thursday, 10th August, 2023 (5:00 p.m. IST). The e-voting module will be disabled thereafter. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e., as on 4th August, 2023. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
- 14. Procedure to raise questions/seek clarifications with respect to Annual Report at the ensuing 77th AGM of the Company**
- i. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views.
 - ii. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from **Monday, 7th August, 2023 (9:00 a.m. IST) to Wednesday, 9th August, 2023 (5:00 p.m. IST)**.
 - iii. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.
- 15. The details of the process and manner for remote e-voting and voting during AGM are explained herein below:**
- Step 1:** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2:** Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.
- Step 3:** Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.
- Procedure for Login for E-voting and Attending AGM through VC/OAVM for Individual Shareholders holding securities in Demat mode.**
- In terms of SEBI circular dated December 09, 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 to access e-Voting facility.

I) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with National Securities Depository Limited ("NSDL") | <ol style="list-style-type: none"> 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> i. Open https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" iv. Click on Company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> i. To register, open https://eservices.nsdl.com either on a Personal Computer or on a mobile. ii. Select "Register Online for IDeAS "Portal or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. iii. Proceed with completing the required fields. 3. By visiting the e-Voting website of NSDL <ol style="list-style-type: none"> i. Open https://www.evoting.nsdl.com/ ii. Click on the icon "Login" which is available under 'Shareholder/ Member' section. iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iv. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFintech. v. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period. |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited (“CDSL”) | <ol style="list-style-type: none"> Existing user who have opted for Easi / Easiest <ol style="list-style-type: none"> Click at https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. Click on e-Voting service provider name to cast your vote. User not registered for Easi/Easiest <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. By visiting the e-Voting website of CDSL: <ol style="list-style-type: none"> Visit at www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress. |
| Individual Shareholder (holding securities in Demat mode) login through their demat accounts / Website of Depository Participant | <ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. Once logged-in, 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 options available against Company name or e-Voting service provider Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period. |

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

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

| Login type | Helpdesk details |
|--|---|
| 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 |
| 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 at 022- 23058738 or 22-23058542-43. |

Details on Step 2 are mentioned below:

(II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

- i. Initial password is provided in the body of the e-mail.
- ii. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- iii. Enter the login credentials (**User ID and password provided in the e-mail**). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, 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 KFintech for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.kfintech.com> or contact toll-free numbers 1800 309 4001 (from 9.00 a.m. IST to 6.00 p.m. IST on all working days) for assistance on your existing password.
- iv. After entering these details appropriately, click on "LOGIN".
- v. 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.,). **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.**
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Surat Textile Mills Limited.
- viii. 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 mentioned herein above. 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.
- ix. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- x. 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.
- xi. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- xii. A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
- xiii. Once you have voted on the resolution (s), you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xiv. Institutional/ Corporate members (i.e. other than individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution/ Power of Attorney/ Authority Letter, etc. together with attested specimen signatures of the duly authorised representative(s), to the Scrutinizer at E-mail id: shareddepartment@stml.in. It is also requested to upload the same in the e-voting module in their login.
- xv. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).