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**ANNUAL REPORT  
2018 - 2019**



**EUROTEX INDUSTRIES AND  
EXPORTS LIMITED**



# **EUROTEX INDUSTRIES AND EXPORTS LIMITED**

**An ISO 9001 and Oko-Tex Standard 100 Certificate Holder**

**SA 8000 Certified Company**

## **BOARD OF DIRECTORS**

**Shri Krishan Kumar Patodia**

*Chairman and Managing Director*

**Shri Hariprasad Siotia**

**Shri Gopal Patodia**

**Shri Narayan Patodia**

*Managing Director*

**Shri Rajiv Patodia**

*Executive Director and CFO*

**Shri V. K. Gupta**

**Shri D. K. Patel**

**Shri M. L. Bagaria**

**Shri P. P. Dundh**

**Smt. Hema Thakur**

**EUROTEX  
INDUSTRIES AND EXPORTS  
LIMITED**

**COMPANY SECRETARY**

**Shri Rahul Rawat**

**BANKERS**

**STATE BANK OF INDIA**

**BANK OF INDIA**

**IDBI BANK LIMITED**

**AUDITORS**

**SVP & ASSOCIATES**

Chartered Accountants

Mumbai

**REGISTERED AND HEAD OFFICE**

1110, Raheja Chambers, 11th Floor,  
213, Nariman Point, Mumbai - 400021.

**MILLS**

E-23 & E-1, MIDC, Gokul Shirgaon,  
Kolhapur - 416234.  
Maharashtra.

Plot No. T-4, MIDC, Kagal Hatkanangale,  
Kolhapur - 416216.  
Maharashtra.

**SHARE TRANSFER AGENTS**

**DATAMATICS BUSINESS SOLUTIONS LIMITED**

Plot No.B-5, Part B, Cross Lane, MIDC,  
Marol, Andheri (East), Mumbai - 400093.

Tel.: 022-66712156 E-mail: [investorsqry@dfssl.com](mailto:investorsqry@dfssl.com)



## EUROTEX INDUSTRIES AND EXPORTS LIMITED

Registered Office: 1110, Raheja Chambers, 11th Floor,  
213, Nariman Point, Mumbai - 400 021.  
CIN : L70200MH1987PLC042598

### NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd Annual General Meeting of the Shareholders of **EUROTEX INDUSTRIES AND EXPORTS LIMITED** will be held at Ramada Powai Hotel and Convention Centre, Saki Vihar Road, before Nitie, Powai, Mumbai - 400 087 on Saturday, the 28th September, 2019 at 9:00 a.m. to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the financial year ended 31st March, 2019 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Narayan Patodia (DIN: 00013122) who retires by rotation and, being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS

3. To approve the remuneration of M/s. A. G. Anikhindi & Co., Cost Accountants, for the financial year ending 31st March, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. A. G. Anikhindi & Co., Cost Accountants, appointed on recommendation of the Audit Committee by the Board of Directors of the Company as Cost Auditors under Section 148 of the Companies Act, 2013, to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2020, at the remuneration of Rs. 1,00,000 (Rupees One Lakh Only) plus applicable taxes, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts and to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

4. To Regularize the appointment of Shri. Ashwinikumar L. Dave (DIN:00126187) as an Independent Non-Executive Director and to consider and, if thought fit, to pass, with or without modification(s), the following

Resolutions as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152 and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, approval of the Members of the Company be and is hereby given to the appointment of Shri. Ashwinikumar L. Dave (DIN: 00126187), who was appointed by the Board of Directors as an Additional Independent Non-Executive Director of the Company with effect from 25th May, 2019 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the Company, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of the Independent Directorship as provided in Section 149 (6) of the Act and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non-Executive Director of the Company, who shall hold office for a period of five consecutive years w.e.f. 25th May, 2019 till 24th May, 2023 and whose office shall not, henceforth, be liable to retire by rotation.

**RESOLVED FURTHER THAT** to give effect to this Resolution, the Board of Directors be and are hereby authorized to do all the acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

By Order of the Board

**Rahul Rawat**  
Company Secretary  
M. No. 27891

Place: Mumbai  
Date : 25th May, 2019



**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting (the "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. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A Member holding more than ten percent of the total Share Capital of the Company, carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company has notified closure of Register of Members and Share Transfer Books from 18th September, 2019 to 28th September, 2019 (both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their Address or Bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change in their Address or Bank mandates immediately to the Company / Datamatics Business Solutions Limited.
8. The Company has transferred the amount of unpaid or unclaimed dividends in terms of provision of Section 205C of the Companies Act, 1956, from time to time on due dates, to the Investor Education and Protection Fund.
9. The Company is not required to transfer any shares with Investor Education and Protection Fund Authority in terms of sub-section (6) of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.
10. The Members who are holding shares in physical form are requested to send their Specimen Signature duly attested by Bank to the Company's Registrar Datamatics Business Solutions Limited.
11. A Route Map showing directions to reach the venue of the 33rd Annual General Meeting is given at the end.
12. Members who wish to obtain information concerning the 33rd Annual Report of the Company may send their queries at least 7 (seven) days before the date of Meeting, to the Company.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Participant in Securities Market. Members

holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company / Datamatics Business Solutions Limited.

14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Datamatics Business Solutions Limited, for consolidation into a single folio.
16. Members are requested to quote their Registered Folio Nos. on all the correspondence with the Company.
17. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amended vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. The Company has complied with the necessary requirements, as applicable, including sending of letters / reminder letters to Shareholders holding shares in Physical Form, requesting them to demat their physical holdings.
18. Details of the Directors retiring by rotation and seeking appointment [in pursuance to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

<b>Name of Director</b>	<b>Shri Narayan Patodia</b>
Date of Birth	30th October, 1951
Date of Appointment	16th February, 1987
Qualification	B. E. Mech. from BITS Pilani
Expertise in specific functional area and years	He holds 38 years of rich experience in the Textile Industry in all fields such as Purchase, Manufacturing, Administration, Finance and Marketing.
List of other Directorship held	Patodia Syntex Limited Chandramauli Investments Pvt. Ltd. Suragini Investments Private Limited Sambhu Investments Private Limited Desine Properties and Consultancy Private Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Member of Stakeholders Relationship Committee
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	None
Shareholding in the Company	36000 Equity Shares



<b>Name of Director</b>	<b>Shri Ashwinikumar L. Dave</b>
<b>Date of Birth</b>	15th November, 1945
<b>Date of Appointment</b>	25th May, 2019
<b>Qualification</b>	Under Graduate
<b>Expertise in Specific functional area and years</b>	He holds around 50 years of sound experience in the fields of Accounting, Marketing etc.
<b>List of other Directorship held</b>	Kala Knitwears Private Limited
<b>Chairman/Member of the Committees of the Board of Directors of the Company</b>	None
<b>Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director</b>	None
<b>Shareholding in the Company</b>	15 Equity Shares

19. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided e-Voting facility for Members to cast their vote electronically from the place other than Annual General Meeting (“Remote e-Voting”).

**20. The instructions for Members for voting electronically are as under:**

### **INSTRUCTIONS FOR E-VOTING**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members the facility to exercise their right to vote by electronic means and the business may be transacted through e-Voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“Remote e-Voting”) will be provided by Central Depository Services (India) Limited (CDSL).

The Company has approached CDSL for providing e-Voting services through their e-Voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-Voting on Resolutions placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting can be downloaded from the Company website i.e. [www.eurotexgroup.com](http://www.eurotexgroup.com)

The e-Voting period commences on 25th September, 2019 (9:00 A.M.) and ends on 27th September, 2019 (5:00 P.M.). During this period, shareholders of the Company, may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company as on the **cut-off date** of 21st September, 2019. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 21st September, 2019, may obtain the login ID and password by sending a request at [companysecretary@eurotexgroup.com](mailto:companysecretary@eurotexgroup.com)

The facility for voting through Polling 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 Polling Paper.

### **PROCEDURE FOR REMOTE E-VOTING**

- (i) The voting period begins on 25th September, 2019 (9:00 A.M.) and ends on 27th September, 2019 (5:00 P.M.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21st September, 2019, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on “Shareholders” tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. For Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (which is printed on the Address Slip) in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DIVIDEND BANK DETAILS OR DATE OF BIRTH (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>● If both the details are not recorded with the Depository or Company please enter the Member ID/Folio Number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting on 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.
- (x) For Members holding shares in physical form, the details can be used as printed on the Address Slip for e-Voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN for the Eurotex Industries and Exports Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows Phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



21. The result of the electronic voting shall be declared after the Annual General Meeting. The result along with the Scrutinizer's Report shall also be placed on the website of the Company. The Board will appoint an Independent Scrutinizer to scrutinize the Voting and Remote e-Voting process in a fair and transparent manner.
22. Members may also note that the Notice of 33rd Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website [www.eurotexgroup.com](http://www.eurotexgroup.com)
23. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

By Order of the Board

Place: Mumbai  
Date : 25th May, 2019

**Registered Office :**  
1110, Raheja Chambers, 11th Floor,  
213, Nariman Point, Mumbai - 400 021.

**Rahul Rawat**  
Company Secretary  
M.No. 27891

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013.

### ITEM NO. 3

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Anikhindi and Co., as Cost Auditor to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2020.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be determined by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No.3 of the Notice for approval of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2020.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as set out at Item No.3 of the Notice.

The Board recommends the Ordinary Resolution set out in Item No.3 of the Notice for approval of the shareholders.

### ITEM NO. 4

Shri Ashwinikumar L. Dave (DIN: 00126187) was appointed as an Additional Director w.e.f. 25th May, 2019 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office up to the date of the ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended regularization of Shri Ashwinikumar L. Dave as an Independent Non-Executive Director of the Company. The Company has received a Notice in writing from a shareholder of the Company, signifying his intention to propose the appointment of Shri Ashwinikumar L. Dave as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

Section 149 and Section 152 inter alia specifies that:

(a) Independent Directors shall hold office for a term of up to five consecutive years, and shall be eligible for

re-appointment for a further period of five years, subject to passing of Special Resolution by the Shareholders in General Meeting; and

(b) An Independent Director shall not be liable to retire by rotation at the AGM.

In the opinion of the Board, Shri Ashwinikumar L. Dave is a person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the said Act and the rules made thereunder and is independence of the management of the Company and he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during Normal Business Hours on any working day. Members may note that the requisite declarations under Section 149 (7) of the Companies Act, 2013 have been furnished by the Independent Non-Executive Directors confirming compliance with the provisions of Section 149 (6) of the Companies Act, 2013. Upon the confirmation of the appointment of him as an Independent Non-Executive Director by the Members of the Company, the appointment shall be formalized by the issue of a letter of appointment by the Company to the said Independent Non-Executive Director. The Board accordingly recommends the Resolution at Item No. 4 of this Notice for the approval of the Members as Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than Shri Ashwinikumar L. Dave is in any way concerned or interested, financially or otherwise, in the Resolution at Item No.4 of this Notice.

By Order of the Board

Place: Mumbai  
Date : 25th May, 2019

**Registered Office :**  
1110, Raheja Chambers, 11th Floor, Company Secretary  
213, Nariman Point, Mumbai - 400 021. **M.No. 27891**

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are hereby presenting their 33rd Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2019.

	2018-19 (₹ in lakhs)	2017-18 (₹ in lakhs)
<b>FINANCIAL RESULTS</b>		
Profit / (Loss) before Finance Cost, Depreciation, Tax	(658.96)	(409.88)
Finance Costs	679.14	719.82
Profit/(Loss) before Depreciation	(1,338.10)	(1,129.70)
Depreciation	390.66	398.46
	(1,728.76)	(1,528.16)
Tax Expenses:		
Prior Years' Tax Adjustments	(2.47)	(10.76)
Deferred Tax Charged / (Credit)	(18.91)	(100.21)
Profit/(Loss) for the year	(1,707.38)	(1,417.19)
Balance brought forward from previous year	(1,950.80)	(533.61)
<b>Balance Carried to Balance Sheet</b>	<b>(3,658.18)</b>	<b>(1,950.80)</b>

### PERFORMANCE REVIEW

During the year, revenue from the operations of the Company is Rs.19,675.05 Lakhs as compared to Rs.25,205.16 Lakhs in the previous year. The operating loss of the Company is Rs.658.96 Lakhs as against operating loss of Rs.409.88 Lakhs in the previous year. The loss after finance cost and depreciation is Rs.1,728.76 Lakhs as against the loss of Rs.1,528.16 Lakhs in the previous year.

### DIVIDEND

The Board has decided not to recommend any dividend for the financial year 2018-19.

### SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2019 was Rs.8,74,98,650.

### MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The Plant E-23 is not in operation from 25th March, 2019 to till date, which has affected the Financial Position of the Company.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, required information relating to the Conservation of Energy, Technology Absorption and

Foreign Exchange Earnings and Outgo is given in "Annexure A" to the Directors' Report.

### DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Narayan Patodia (DIN: 00013122) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Accordingly, his re-appointment forms part of the Notice of the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company, confirming that they meet the criteria of Independence as prescribed under the sub-section (7) of Section 149 of the Companies Act, 2013.

The tenure of 5 years of Shri Dilip Keshavlal Patel (DIN: 00013150) as an Independent Director of the Company has come to an end on 31st March, 2019. He has not considered the second term of 5 years as an Independent Director. Hence, he ceases to be a Director of the Company w.e.f.31st March, 2019.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on 25th May, 2019, had appointed Shri Ashwinikumar L. Dave (DIN:00126187) as an Additional Independent Non-Executive Director of the Company. Pursuant to the provisions of Section 161 of the Act, Shri Ashwinikumar L. Dave holds office till the date of the ensuing Annual General Meeting and is eligible for appointment. A Resolution in this behalf is set out at Item No.4 of the Notice of Annual General Meeting, for Members' approval.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 (3) (c) of the Companies Act, 2013, your Board of Directors hereby state:

- that in the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the Profit & Loss of the Company for the year ended on that date;
- that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis;
- that Directors have laid down Internal Financial





Controls to be followed by the Company and such Internal Financial Controls are adequate and operating effectively; and

- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an Annual Performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees.

Pursuant to Regulation 25 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out by Independent Directors at their separate meeting to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Directors being evaluated.

#### **BOARD MEETINGS**

During the year, four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section(3) of Section 178 is annexed hereto and forms a part of this report.

#### **AUDITORS**

##### **Statutory Auditors**

The Statutory Auditors M/s. SVP & Associates, Chartered Accountants (Firm's Reg. No. 003838N), were appointed as the Statutory Auditors for a term of five years at 31st Annual General Meeting of the Company till the conclusion of 36th Annual General Meeting of the Company.

##### **Cost Auditors**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of Cost Records relating to Textile.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. A. G. Anikhindi & Co., Cost Accountants, as Cost Auditor to audit the Cost Accounts of the Company for the financial year 2019-20.

As required under the Companies Act, 2013, a Resolution seeking shareholder's approval for the remuneration

payable to the Cost Auditor, forms part of the Notice convening the Annual General Meeting for their approval.

#### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. S. K. Jain & Co., Practising Company Secretary to conduct Secretarial Audit of the Company for the financial year 2019-20.

#### **AUDITORS AND REPORTS**

The matters related to Auditors and their Reports are as under:

##### **1. Report of Statutory Auditor:**

The Report given by the Statutory Auditors for the Financial Statements for the year ended 31st March, 2019 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

##### **2. Report of Secretarial Auditor:**

M/s. S. K. Jain & Co., Practising Company Secretary, was appointed to conduct Secretarial Audit of the Company for the financial year 2018-19 as required under Section 204 of the Companies Act, 2013 and the Rules thereunder. The Secretarial Audit Report for the financial year 2018-19 forms part of the Annual Report as "Annexure B" to the Boards Report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

#### **CORPORATE GOVERNANCE**

The Company has complied with all the mandatory requirements of Corporate Governance, as stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance and a Certificate from M/s. SVP & Associates, Statutory Auditors, regarding compliance with the conditions of Corporate Governance is given in a separate section and forms part of the Annual Report.

#### **AUDIT COMMITTEE**

The Board has well-qualified Audit Committee with majority of Independent Directors including Chairman. They possess sound knowledge on Accounts, Audit, Finance, Taxation, Internal Controls etc. The details of the Composition of the Audit Committee are given in the Corporate Governance Report.

The Company Secretary of the Company acts as Secretary to the Committee.

During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee.

#### **NOMINATION & REMUNERATION COMMITTEE & POLICY**

The Company has duly constituted Nomination & Remuneration Committee to align with the requirements prescribed under the provisions of Section 178 of the

Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of the Composition of the Nomination & Remuneration Committee are given in the Corporate Governance Report.

The Board has framed a policy for selection and appointment of Directors, Senior Management and their Remuneration. The policy provides for determining qualifications, positive attributes and independence of a Director.

#### **RISK MANAGEMENT**

The Company has laid down the procedures to inform the Board about the risk assessment and minimization procedures and the Board has formulated Risk Management policy to ensure that the Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the Company's business and document their process of risk identification and risk minimization as a part of a Risk Management policy/strategy.

The common risks inter alia are: Regulations, Credit Risk, Foreign Exchange and Interest Risk, Competition, Business Risk, Technology Obsolescence, Investments, Retention of Talent and Expansion of Facilities etc. Business Risk, inter-alia, further includes financial risk, political risk, legal risk, etc. The Board reviews the risk trend, exposure and potential impact analysis and prepares risk mitigation plans, if necessary.

#### **CORPORATE SOCIAL RESPONSIBILITY(CSR)**

The Company is not required to contribute towards CSR under Section 135 of the Companies Act, 2013 read with Rules thereunder.

The Board of Directors of your Company, however, has constituted a CSR Committee. The details of the Composition of the Corporate Social Responsibility Committee are given in the Corporate Governance Report.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Based on the report of Internal Audit function, corrective actions are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to

the Compliance Officer and have direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is hosted on the website of the Company i.e. www.eurotexgroup.com

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All woman employees (permanent, contractual, temporary and trainee) are covered under this Policy.

The following is a summary of Sexual Harassment complaints received and disposed off during the year:

- No. of Complaints received: Nil
- No. of Complaints disposed off: Nil

#### **DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

<b>Name of Director</b>	<b>Ratio to Median Remuneration</b>
Shri K. K. Patodia	33.44
Shri Narayan Patodia	12.40
Shri Rajiv Patodia	11.80

- Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in financial year:**

<b>Name of Person</b>	<b>Designation</b>	<b>% increase in remuneration in financial year</b>
Shri K. K. Patodia	Chairman and MD	-
Shri Narayan Patodia	Managing Director	-
Shri Rajiv Patodia	Executive Director	-
Shri Rahul Rawat	Company Secretary	8.42



**c. Percentage increase in the median remuneration of employees in the financial year:**

14.11%

**d. The number of permanent employees on the rolls of the Company:**

959 employees

**e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around **14.32%**. However, during the course of the year, the total increase is approximately 8.08%, after accounting for promoters and other event based compensation revisions.

Increase in the managerial remuneration for the year was **0.91%**.

**f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

A statement comprising the names of top 10 employees in terms of remuneration drawn and every person employed throughout the year, who were in receipt of remuneration in terms of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as "Annexure C" and forms an integral part of this Report.

The above Annexure is not being sent along with this Annual Report to the Members of the Company in line with the provision of Section 136 of the Companies Act, 2013. The aforesaid Annexure is available for inspection by Shareholders at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours (working days) of the Company.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his/her spouse and dependent children) more than two percent of the equity shares of the Company.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, the Company has not given any loans and guarantees. Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and hence, enclosing of Form AOC-2 is not required. All Related Party Transactions are placed before the Audit Committee as well as the Board for approval. Prior

omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is available on the Company's website at [www.eurotexgroup.com](http://www.eurotexgroup.com)

**MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Regulation 34 (2) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report for the year under review is given under a separate section and forms part of the Annual Report.

**PUBLIC DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2019 made under the provisions of Section 92 (3) of the Companies Act, 2013 in Form MGT - 9 is annexed herewith as "Annexure D".

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the Financial Year 2018-19, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in the future.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

**REPORTING OF FRAUDS**

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and Rules made thereafter.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation and thankful acknowledgement for valuable assistance the Company received from all Employees, Customers, Agents, Suppliers, Investors and Lending Bankers.

On behalf of the Board

**K. K. PATODIA**  
Chairman

and Managing Director

Place : Mumbai  
Date : 25th May, 2019



## **ANNEXURE "A" TO THE DIRECTORS' REPORT**

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014.**

**(A) CONSERVATION OF ENERGY:**

**(a) Energy Conservation Measures Taken:**

1. Installed 18W LED tube lights by replacing 28W florescent tubes in production area.
2. Installed high efficiency water pumps for Humidification plants.

**(b) Steps taken for utilizing alternate source of energy:**

Nil

**(c) Capital investment on energy conservation equipments:**

Capital Investment made of Rs.3,26,903 & Rs.70,784 respectively in point no. (a) (1) & (2) above.

**(B) TECHNOLOGY ABSORPTION:**

**(a) The efforts made towards Technology Absorption:**

Nil

**(b) The benefits derived like product improvement, cost reduction, product development or import substitution:**

Nil

**(c) In case of imported technology (imported during the last three years):**

Nil

**(d) The expenditure incurred on Research and Development:**

Nil

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(a) Total Foreign Exchange used and earned:**

**(Rs. in Lakhs)**

- |                                     |                  |
|-------------------------------------|------------------|
| i) CIF Value of Imports             | <b>1158.52</b>   |
| ii) Expenditure in Foreign Currency | <b>51.46</b>     |
| iii) Foreign Exchange Earned        | <b>12,730.10</b> |

On behalf of the Board

Place : Mumbai  
Date : 25th May, 2019

**K. K. PATODIA**  
*Chairman  
and Managing Director*



## ANNEXURE “B” TO THE DIRECTORS’ REPORT

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

**The Members,**

**EUROTEX INDUSTRIES AND EXPORTS LIMITED**

1110, Raheja Chambers, 11th Floor,  
213, Nariman Point,  
Mumbai - 400 021.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Eurotex Industries and Exports Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company as given in ‘Annexure I’ for the financial year ended on **31st March, 2019** according to the provisions of:

i The Companies Act, 2013 (the Act) and the Rules made thereunder;

- ii The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
- iii The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not Applicable to the Company during the period under Audit**)
- v The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Now known as SEBI (Share based Employees Benefits) Regulation, 2014; (**The Company has not introduced any such scheme**);
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt

Securities) Regulations, 2008; **(The Company has not issued any Debt Securities during the financial year under review);**

- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(The Company has not delisted / propose to delist its Equity Shares from any Stock Exchange during the financial year under review);**
  - g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; **(The Company has not bought back / propose to buy-back any of its securities during the financial year under review) and**
  - h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi Other laws specifically applicable to the Company is:
- (i) Essential Commodities Act, 1955 and
  - (ii) Standards of Weights and Measures Act, 1976.

I have also examined compliance with the applicable clauses of the following;

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (w.e.f. 1st July, 2015).
- ii. The Listing Agreement entered into by the Company with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE) read with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.**

**I further Report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company, its officers and Reports of the Statutory Auditors for systems and mechanism framed by the Company for Compliances under other Acts, Laws and Regulations applicable to the Company as Listed in 'Annexure II'.

In case of Direct and Indirect Tax Laws like Income Tax Act, 1961, Goods and Service Tax Act and Custom Act, I have relied on the Reports given by the Statutory Auditors of the Company.

**I further report that** during the audit period, the workers of the Company who had retorted to strike w.e.f. 3rd November, 2018 continued to be on strike which ended on 9th February, 2019.

**I further report that** during the audit period the Company has the following specific events:

1. During the year the Company has obtained consent of the Members of the Company through Postal Ballot by way of Special Resolution for Continuation of Directorship of Shri Hari Prasad Siotia and Shri Gopal Patodia as Non-Executive Directors and also Re-appointment of Shri Vinod Kumar Gupta, Shri Dilip Keshavlal Patel, Shri Pratap Padamshi Dundh, Shri Makhanlal Bagaria and Smt. Hema Thakur as an Independent Directors of the Company.

The details of Registered and Corporate Office and location of the Plants of **M/s. Eurotex Industries and Exports Limited** are given in 'Annexure-III'.

For S. K. Jain & Co.

(Dr. S. K. Jain)  
Practicing

Company Secretary  
FCS No.: 1473  
C P No.: 3076

Place: Mumbai  
Date : 25th May, 2019

The report is to be read with our letter of even date which is annexed as "Annexure - IV" and forms an integral part of this report.



## ANNEXURE - I

### List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2018.
3. Minutes of the Meetings of the Board of Directors, Independent Directors, Audit Committee and Nomination & Remuneration Committee, Stakeholder Relationship Committee and Allotment Committee along with Attendance Register held during the Financial Year under Report.
4. Minutes of General Body Meetings held during the Financial Year under Report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the financial year under report.
8. E- forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.

## ANNEXURE - II

### List of applicable Laws to the Company

- i. Factories Act, 1948 read with the Maharashtra Factories Rules, 1963;
- ii. Industrial Dispute Act, 1947 and the rules made thereunder;
- iii. Payment of Bonus Act, 1965 and the rules made thereunder;
- iv. Payment of Gratuity Act, 1972 and the rules made thereunder;
- v. Payment of Wages Act, 1936 and the rules made thereunder;
- vi. The Minimum Wages Act, 1948 and the rules made thereunder;
- vii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder;
- viii. Maternity Benefits Act, 1961 and the rules made thereunder;
- ix. Bombay Industrial Relation Act, 1946 and the rules made thereunder;
- x. Professional Tax Act, 1975 and Rules;
- xi. The Contract Labour (R & A) Act, 1970 and the rules made thereunder;
- xii. The Employment Exchange Act, 1959 and the rules made thereunder;
- xiii. Equal Remuneration Act, 1976
- xiv. Workmen's Compensation Act, 1923 and the rules made thereunder;
- xv. Apprentices Act, 1961.
- xvi. Employees State Insurance Act, 1947.
- xvii. Employees Provident Fund and Misc. Provision Act, 1952 and the Rules made thereunder;
- xviii. The Bombay Shops and Establishment Act, 1948.
- xix. Tax on Professions, Trades, Callings and Employments Act and Rules.

## ANNEXURE - III

### Registered Office:

1110, Raheja Chambers,  
11th Floor, 213, Nariman Point,  
Mumbai - 400021.  
Maharashtra.

### Mills:

E-23 & E-1, MIDC, Gokul Shirgaon,  
Kolhapur - 416234. Maharashtra.

Plot No. T-4, MIDC, Kagal Hatkanangale,  
Kolhapur - 416216. Maharashtra.

### Corporate Office:

Raheja Chambers, 12th Floor, Tel.: 91-22-22041408  
213, Nariman Point, Fax: 91-22-22044139  
Mumbai - 400021.  
Maharashtra.

For S. K. Jain & Co.

(Dr. S. K. Jain)  
Practicing  
Company Secretary  
FCS : 1473  
COP : 3076

Place: Mumbai  
Date : 25th May, 2019

## **ANNEXURE - IV**

**To,  
The Members,  
Eurotex Industries and Exports Limited,**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance

of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. K. Jain & Co.**

**(Dr. S. K. Jain)**  
Practicing  
Company Secretary  
FCS : 1473  
COP : 3076

Place: Mumbai  
Date : 25th May, 2019



## ANNEXURE “D” TO THE DIRECTORS’ REPORT

FORM NO. MGT - 9

### EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	: L70200MH1987PLC042598
Registration Date	: 16/02/1987
Name of the Company	: Eurotex Industries and Exports Limited
Category / Sub-Category of the Company	: Company Limited by Shares / Non-Govt. Company
Address of the Registered Office and Contact Details	: 1110, Raheja Chambers, 11th Floor, 213, Nariman Point, Mumbai – 400 021. Tel No.: 022-22041408
Whether Listed Company	: Yes
Name, Address and Contact details of Registrar and Transfer Agents, if any	: Datamatics Business Solutions Limited Plot No. B-5, Part B, Cross Lane, MIDC, Marol, Andheri (East), Mumbai – 400 093. Tel No.: 022-66712156

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Cotton Yarn (Manufacturing)	13111	68.67
2	Cotton Yarn (Trading Division)	13111	31.33

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Not Applicable

#### IV. SHARE HOLDING PATTERN:

(Equity Share Capital Breakup as percentage of Total Equity)

##### (i) CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	174935	-	174935	1.9993	174935	-	174935	1.9993	-

**EUROTEX  
INDUSTRIES AND EXPORTS  
LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6036692	-	6036692	68.9918	6036692	-	6036692	68.9918	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):</b>	<b>6211627</b>	<b>-</b>	<b>6211627</b>	<b>70.9911</b>	<b>6211627</b>	<b>-</b>	<b>6211627</b>	<b>70.9911</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) =</b>									
<b>(A)(1)+(A)(2)</b>	<b>6211627</b>	<b>-</b>	<b>6211627</b>	<b>70.9911</b>	<b>6211627</b>	<b>-</b>	<b>6211627</b>	<b>70.9911</b>	<b>-</b>
<b>B. Public Share Holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	7850	7850	0.0897	-	7850	7850	0.0897	-
b) Banks / FI	-	1080	1080	0.0123	-	1080	1080	0.0123	-
c) Central Govt	44650	-	44650	0.5103	44650	-	44650	0.5103	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	100	-	100	0.0011	100	-	100	0.0011	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	<b>44750</b>	<b>8930</b>	<b>53680</b>	<b>0.6135</b>	<b>44750</b>	<b>8930</b>	<b>53680</b>	<b>0.6135</b>	<b>-</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	487014	11367	498381	5.6959	486817	11367	498184	5.6936	(0.0023)



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual									
Shareholders holding nominal share capital upto Rs. 1 lakh									
	1138438	389930	1528368	17.4673	1130241	358395	1488636	17.0132	(0.4541)
ii) Individual									
Shareholders holding nominal share capital in excess of Rs. 1 lakh									
	447184	-	447184	5.1108	476998	-	476998	5.4515	0.3407
<b>c) Non Residents</b>									
i) NRI Rep	9149	808	9957	0.1138	9055	808	9863	0.1127	(0.0011)
ii) NRI Non-Rep	668	-	668	0.0076	10877	-	10877	0.1243	0.1167
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI/OCBs	-	-	-	-	-	-	-	-	-
v) Foreign Bodies	-	-	-	-	-	-	-	-	-
vi) Foreign Nationals	-	-	-	-	-	-	-	-	-
vii) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	<b>2082453</b>	<b>402105</b>	<b>2484558</b>	<b>28.3954</b>	<b>2113988</b>	<b>370570</b>	<b>2484558</b>	<b>28.3954</b>	<b>-</b>
<b>Total Public Shareholding(B)=</b>									
<b>(B)(1)+(B)(2)</b>	<b>2127203</b>	<b>411035</b>	<b>2538238</b>	<b>29.0089</b>	<b>2158738</b>	<b>379500</b>	<b>2538238</b>	<b>29.0089</b>	<b>-</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>8338830</b>	<b>411035</b>	<b>8749865</b>	<b>100</b>	<b>8370365</b>	<b>379500</b>	<b>8749865</b>	<b>100</b>	<b>-</b>

**(ii) SHARE HOLDING OF PROMOTERS:**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/Encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/Encumbered to total Shares	
Patodia Syntex Ltd.	3794812	43.3699	-	3794812	43.3699	-	-
PBM Polytex Ltd.	2231980	25.5087	-	2231980	25.5087	-	-



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Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
	No. of Shares	% of Total shares of the Company	% of Shares Pledged/Encumbered to total Shares	No. of Shares	% of Total shares of the Company	% of Shares Pledged/Encumbered to total Shares	
Rajiv Agencies Pvt. Ltd.	7200	0.0823	-	7200	0.0823	-	-
Thrust Invest. & Mgmt. Cons. Pvt. Ltd.	2700	0.0309	-	2700	0.0309	-	-
Krishan Kumar Patodia	58242	0.6656	-	58242	0.6656	-	-
Hari Prasad Siotia	42218	0.4825	-	42218	0.4825	-	-
Gopal Patodia	195	0.0022	-	195	0.0022	-	-
Madhu Patodia	180	0.0021	-	180	0.0021	-	-
Narayan Patodia	36000	0.4114	-	36000	0.4114	-	-
Rajiv Patodia	19300	0.2206	-	19300	0.2206	-	-
Shailja Patodia	8800	0.1006	-	8800	0.1006	-	-
Ritvika Patodia	5000	0.0571	-	5000	0.0571	-	-
Vedika Patodia	5000	0.0571	-	5000	0.0571	-	-
<b>Total</b>	<b>6211627</b>	<b>70.9910</b>	<b>-</b>	<b>6211627</b>	<b>70.9910</b>	<b>-</b>	<b>-</b>

**(iii) CHANGE IN PROMOTERS' SHARE HOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):**  
There is no change in the Promoters' Shareholding.

**(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1.</b>	<b>J. M. Financial Services Limited</b>				
	At the beginning of the year	47890	0.5473	47890	0.5473
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-3000 (06.04.2018)	-0.0342	44890	0.5131
		18155 (20.04.2018)	0.2074	63045	0.7205
		-6705 (27.04.2018)	-0.0766	56340	0.6438
		-17995 (04.05.2018)	-0.2056	38345	0.4382
		17112 (11.05.2018)	0.1955	55457	0.6338
		18775 (18.05.2018)	0.2145	74232	0.8483



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		17237 (25.05.2018)	0.1969	91469	1.0453
		-6500 (01.06.2018)	-0.0742	84969	0.9710
		-9748 (15.06.2018)	-0.1114	75221	0.8596
		-22418 (22.06.2018)	-0.2562	52803	0.6034
		77814 (13.07.2018)	0.8893	130617	1.4927
		151230 (10.08.2018)	1.7253	281847	3.2211
		-1281 (17.08.2018)	-0.0146	280566	3.2065
		-14219 (31.08.2018)	-0.1625	266347	3.0440
		-29244 (07.09.2018)	-0.3342	237103	2.7097
		-226425 (23.11.2018)	-2.5877	10678	0.1220
		226425 (11.01.2019)	2.5877	237103	2.7097
		36820 (08.02.2019)	0.4208	273923	3.1305
	At the end of the year	0	0.0000	273923	3.1305
<b>2.</b>	<b>Santosh Sitaram Goenka</b>				
	At the beginning of the year	117704	1.3452	117704	1.3452
	Date wise Increase/Decrease in Share holding-during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-5246 (06.04.2018)	-0.0599	112458	1.2853
		1000 (13.04.2018)	0.0114	113458	1.2967
		-708 (20.04.2018)	-0.0081	112750	1.2886
	At the end of the year	0	0.0000	112750	1.2886

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>3.</b>	<b>Prithvi Vincom Private Limited</b>				
	At the beginning of the year	3000	0.0342	3000	0.0342
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	31705 (27.04.2018)	0.3623	34705	0.3966
		15500 (31.08.2018)	0.1771	50205	0.5738
	At the end of the year	0	0.0000	50205	0.5738
<b>4.</b>	<b>Supriya Punit Agarwal</b>				
	At the beginning of the year	49639	0.5673	49639	0.5673
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	49639	0.5673
<b>5.</b>	<b>New Millenium Technology Mgt. Pvt. Ltd.</b>				
	At the beginning of the year	22247	0.2542	22247	0.2542
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	5005 (18.05.2018)	0.0572	27252	0.3114
		14280 (25.05.2018)	0.1632	41532	0.4746
		6500 (01.06.2018)	0.0742	48032	0.5489
	At the end of the year	0	0.0000	48032	0.5489
<b>6.</b>	<b>Subramanian P</b>				
	At the beginning of the year	46894	0.5359	46894	0.5359
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	46894	0.5359



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>7.</b>	<b>United India Insurance Company Limited</b>				
	At the beginning of the year	44650	0.5102	44650	0.5102
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	44650	0.5102
<b>8.</b>	<b>Pushpak Steel Industries Limited</b>				
	At the beginning of the year	41400	0.4731	41400	0.4731
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	41400	0.4731
<b>9.</b>	<b>Sunita Santosh Goenka</b>				
	At the beginning of the year	33202	0.3794	33202	0.3794
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	33202	0.3794
<b>10.</b>	<b>Savita Dilip Lunkad</b>				
	At the beginning of the year	29100	0.3326	29100	0.3326
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	29100	0.3326

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Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>11.</b>	<b>Shambhu Contractors Pvt. Ltd.</b>				
	At the beginning of the year	45292	0.5176	45292	0.5176
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-20700 (20.04.2018)	-0.2366	24592	0.2811
		-24592 (27.04.2018)	-0.2366	-	-
	At the end of the year	0	0.0000	0	0.0000
<b>12.</b>	<b>Enrich Consulting Private Limited</b>				
	At the beginning of the year	80000	0.9143	80000	0.9143
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	-17000 (04.05.2018)	-0.1943	63000	0.7200
		-20000 (11.05.2018)	-0.2285	43000	0.4914
		-31000 (18.05.2018)	-0.3542	12000	0.1371
		-12000 (25.05.2018)	-0.1371	-	-
	At the end of the year	0	0.0000	0	0.0000
<b>13.</b>	<b>Raviraj Developers Limited</b>				
	At the beginning of the year	135872	1.5528	135872	1.5528
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	23000 (04.05.2018)	0.2628	158872	1.8157
		-7642 (11.05.2018)	-0.0873	151230	1.7283
		-151230 (10.08.2018)	-1.7283	0	0.0000
		1281 (17.08.2018)	0.0146	1281	0.0146
		-1281 (31.08.2018)	-0.0146	0	0.0000



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		152511 (23.11.2018)	1.7430	152511	1.7430
		-152511 (11.01.2019)	-1.7430	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
<b>14.</b>	<b>Atrun Fiscal Private Limited</b>				
	At the beginning of the year	34289	0.3918	34289	0.3918
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	13000 (20.04.2018)	0.1485	47289	0.5405
		-47289 (13.07.2018)	-0.5405	0	0.0000
		73914 (23.11.2018)	0.8447	73914	0.8447
		-73914 (11.01.2019)	-0.8447	0	0.0000
	At the end of the year	0	0.0000	0	0.0000

**(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1.</b>	<b>Krishan Kumar Patodia</b>				
	At the beginning of the year	58242	0.6656	58242	0.6656
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	58242	0.6656
<b>2.</b>	<b>Hari Prasad Siotia</b>				
	At the beginning of the year	42218	0.4825	42218	0.4825
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	42218	0.4825
<b>3.</b>	<b>Gopal Patodia</b>				
	At the beginning of the year	195	0.0022	195	0.0022
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	195	0.0022
<b>4.</b>	<b>Narayan Patodia</b>				
	At the beginning of the year	36000	0.4114	36000	0.4114
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	36000	0.4114



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>5.</b>	<b>Rajiv Patodia</b>				
	At the beginning of the year	19300	0.2206	19300	0.2206
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	19300	0.2206
<b>6.</b>	<b>V. K. Gupta</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>7.</b>	<b>D. K. Patel</b>				
	At the beginning of the year	10	0.0001	10	0.0001
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	10	0.0001
<b>8.</b>	<b>P. P. Dundh</b>				
	At the beginning of the year	1000	0.0114	1000	0.0114
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	1000	0.0114



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Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>9.</b>	<b>M. L. Bagaria</b>				
	At the beginning of the year	5	0.0000	5	0.0000
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	5	0.0000
<b>10.</b>	<b>Hema Thakur</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
<b>11.</b>	<b>Rahul Rawat</b>				
	At the beginning of the year	1	0.0000	1	0.0000
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the end of the year	0	0.0000	1	0.0000



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment. (₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Unsecured Loans NCNCR Pref. Shares	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount					
Term Loans	188.00	-	-	-	188.00
Vehicle Loans	6.66	-	-	-	6.66
Working Capital Facilities	4358.83	-	-	-	4358.83
Unsecured Loans	-	203.00	500.00	-	703.00
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	11.37	35.45	39.53	-	86.35
<b>Total (i+ii+iii)</b>	<b>4564.86</b>	<b>238.45</b>	<b>539.53</b>	<b>-</b>	<b>5342.84</b>
Change in Indebtedness during the financial year					
<b>Addition</b>					
Term Loans	-	-	-	-	-
Vehicle Loans	-	-	-	-	-
Working Capital Facilities	-	-	-	-	-
Unsecured Loans	-	-	-	-	-
Interest accrued but not due	-	23.40	30.00	-	53.40
<b>Reduction</b>					
Term Loans	72.00	-	-	-	72.00
Vehicle Loans	6.66	-	-	-	6.66
Working Capital Facilities	1774.06	-	-	-	1774.06
Unsecured Loans	-	-	-	-	-
Interest accrued but not due	1.55	-	-	-	1.55
<b>Net Change</b>	<b>(1854.27)</b>	<b>23.40</b>	<b>30.00</b>	<b>-</b>	<b>(1800.87)</b>
Indebtedness at the end of the financial year					
i) Principal Amount					
Term Loans	116.00	-	-	-	116.00
Vehicle Loans	-	-	-	-	-
Working Capital Facilities	2584.77	-	-	-	2584.77
Unsecured Loans	-	203.00	500.00	-	703.00
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	9.82	58.85	69.53	-	138.20
<b>Total (i+ii+iii)</b>	<b>2710.59</b>	<b>261.85</b>	<b>569.53</b>	<b>-</b>	<b>3541.97</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Directors, Whole-time Director and/or Manager: (₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shri K. K. Patodia	Shri Narayan Patodia	Shri Rajiv Patodia	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	21.00	15.00	9.00	45.00
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	42.32	8.47	13.35	64.14
	(c) Profits in lieu of Salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission-as % of profit-others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>63.32</b>	<b>23.47</b>	<b>22.35</b>	<b>109.14</b>

### B. Remuneration to other Directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri V. K. Gupta	Shri D. K. Patel	Shri P. P. Dundh	Shri M. L. Bagaria	Smt. Hema Thakur	
1.	Independent Directors Fee for attending Board / Committee Meetings	0.56	0.42	0.70	0.70	0.28	2.66
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.56</b>	<b>0.42</b>	<b>0.70</b>	<b>0.70</b>	<b>0.28</b>	<b>2.66</b>



**B. Remuneration to other Directors: (Contd.)**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri H. P. Siotia	Shri Gopal Patodia		
2.	Other Non-Executive Directors				
	Fee for attending Board / Committee Meetings	0.70	0.07		0.77
	Commission	-	-		-
	Others, please specify	-	-		-
	<b>Total (2)</b>	<b>0.70</b>	<b>0.07</b>		<b>0.77</b>
	<b>Total (B) = (1+2)</b>				<b>3.43</b>
	Total Managerial Remuneration				<b>112.57</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	5.92	-	5.92
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	1.53	-	1.53
	(c) Profits in lieu of Salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission-as % of profit-others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>7.45</b>	-	<b>7.45</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (Under the Companies Act): None**

On behalf of the Board

**K. K. PATODIA**  
Chairman  
and Managing Director

Place: Mumbai  
Date : 25th May, 2019

**Declaration regarding Compliance with the Code of Conduct and Ethics Policy of the Company by Board Members and Senior Management Personnel in accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

This is to confirm that the Company has adopted Code of Conduct and Ethics Policy for the Board of Directors and Associates of the Company, which is available at website - www.eurotexgroup.com

the Code of Conduct and Ethics policy of the Company.

I declare that the Board of Directors and Senior Management Personnel have affirmed compliance with

Place: Mumbai  
Date : 25th May, 2019

**K. K. PATODIA**  
*Chairman  
and Managing Director*

**CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER CERTIFICATION**

To,  
The Board of Directors  
Eurotex Industries and Exports Limited

We, the undersigned, in our capacity as the Chief Executive Officer and Chief Financial Officer of Eurotex Industries and Exports Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed financial statements and cash flow statement for the year ended 31st March, 2018 and to the best of our knowledge and belief, state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that, to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct as adopted by the Company.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control

systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (i) significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements, and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**K. K. PATODIA**  
*Managing Director & CEO*

Place: Mumbai  
Date : 25th May, 2019

**RAJIV PATODIA**  
*Executive Director & CFO*

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**a) Industry Structure and Development:**

The Company is having cotton yarn spinning and knitted fabrics manufacturing unit. Textile is the oldest and most important industry with a high employment potential. The textile industry provides jobs for semi-skilled and unskilled labourers, women in particular, on a large scale in the country.

Eurotex has a state of art modern spinning mills manufacturing and exporting cotton yarn all over

the world.

**b) Opportunities and Threats:**

In the post quota regime, the Indian textile exporters have got very good opportunity for increasing their export of cotton yarn and value added products. Due to very good demand from domestic export oriented garment manufacturers, the cotton yarn manufacturers have got good opportunities in local markets also.



At the same time the Indian textile industry is facing threat from other textile exporting countries due to high power cost, cost of raw materials and rigid labour laws of our country.

**c) Segment or Product-wise Performance:**

The Company operates primarily in one business segment viz cotton yarn and knitted fabric and has its production facilities and assets located in India. Hence, segment-wise or product-wise performance is not given.

**d) Outlook, Risks and Concern:**

The Company has invested substantially in modernization and upgradation of its production facilities and the Company is poised to take maximum advantage of demand in quality goods in post quota regime.

The Exchange Rate Fluctuations, Power Cost increase due to increase in oil prices and state grid power rates are the risks and the matters of concern and may adversely affect its profitability.

**e) Internal Control Systems and their Adequacy:**

The Company has got adequate internal control system commensurate with its size of all departments.

**f) Financial Performance with respect to Operational Performance:**

The financial and operational performances are already elaborated in the Directors' Report.

**g) Development in Human Resources / Industrial Relations Front:**

The Company continued its endeavor in maintaining peace and harmony at all levels of employment in the organization in the year under review.

**h) Cautionary Statement:**

The Statements in the Report may be forward looking within the meaning of applicable laws or regulations. These Statements are made on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the Countries in which the Company conducts business and other incidental factors.

The Company and its Directors assume no responsibility in respect of the forward looking statements herein which may undergo changes in the future on the basis of subsequent developments, information or events.

**K. K. PATODIA**

*Chairman*

*and Managing Director*

Place : Mumbai  
Date : 25th May, 2019

**APPOINTMENT POLICY**

THE APPOINTMENT POLICY FOR INDEPENDENT DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR EXECUTIVES WILL BE AS UNDER:

**(A) Independent Directors:**

Independent Directors will be appointed based on the criteria mentioned under Section 149 (6) of the Companies Act, 2013 and in accordance with other applicable provisions of the Companies Act, 2013, Rules made thereunder and Listing Agreements entered with Stock Exchanges.

**(B) Key Managerial Personnel (KMP):**

KMP will be appointed by the Resolution of the Board of Directors of the Company, based on qualifications, experience and exposure in the prescribed field. Removal of the KMP will also be done by the Resolution of Board of Directors of the Company. Appointment / Removal will be in accordance with the provisions of the Companies

Act, 2013, Rules made thereunder and Listing Agreements entered with Stock Exchanges.

**(C) Senior Executives:**

Senior Executives will be appointed by the Chairman and the Managing Director and/or Executive Director of the Company based on their qualifications, experience and exposure. Removal of the Senior Executives will also be by Chairman, Managing Director and/or Executive Director. Further, appointment and removal will be noted by the Board as required under Clause 8 (3) of Companies (Meeting of Board and its Powers) Rules, 2014.

For and on behalf of the Board

**K. K. PATODIA**

*Chairman*

*and Managing Director*

Place : Mumbai  
Date : 25th May, 2019

## **CORPORATE GOVERNANCE REPORT**

### **1. PHILOSOPHY OF THE COMPANY ON THE CODE OF CORPORATE GOVERNANCE**

The Company believes in highest standards of Corporate Governance and has put in place the systems to comply with all the rules, regulations and requirements mentioned in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For us, effective Corporate Governance is about commitment to values and ethical business conduct which alone can guarantee business success in the long run.

We understand that Corporate Governance is a continuous journey and not a destination. The Company endeavors to achieve transparency, accountability, integrity and responsibility and continues to focus on Good Corporate Governance.

#### **Corporate Ethics:**

The Company adheres to highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

#### **a. Code of Conduct for Board Members and Senior Management:**

The Board of Directors has adopted the Code of Conduct for its Members and Senior Management. The Board highlights Corporate Governance as the corner stone for the sustained management performance, for serving all the stakeholders and for instilling pride in its business dealings.

The Code is applicable to all the Directors and specified Senior Management Executives. The Code impresses upon the Directors and Senior Management Executives to uphold the interest of the Company and its Stakeholders and endeavors to fulfill the fiduciary obligation towards them. The Code also mandates that Directors and Senior Management Executives would uphold highest standard of integrity, honesty, ethical conduct and fairness in their dealings and shall exercise utmost good faith, due care and integrity in performing their duties. The Code of Conduct is posted at Company's website at [www.eurotexgroup.com](http://www.eurotexgroup.com)

#### **b. Code of Conduct for prevention of Insider Trading:**

The Company has adopted a Code of Conduct for prevention of insider trading for its Directors, Key Managerial Personnel & Designated Employees. The Code lays down the guidelines and procedures to be followed, disclosures to be made while dealing with the shares of the Company. The Company Secretary has been appointed as the Compliance officer, and is responsible for adherence to the Code. The Code

of Conduct for prevention of Insider Trading is also available on the website of the Company.

### **2. BOARD OF DIRECTORS**

The business of the Company is managed by the Board of Directors. The Board formulates the strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Directors and Executive Director manage the day to day operations of the Company.

The Board of Directors comprises of three Executive Directors, two Non-Executive Directors and five Independent Directors.

#### **Name of the Director      Position**

##### **Executive Directors**

Shri Krishan Kumar Patodia	<i>Chairman and Managing Director</i>
Shri Narayan Patodia	<i>Managing Director</i>
Shri Rajiv Patodia	<i>Executive Director and CFO</i>

##### **Non Executive Directors**

Shri H. P. Siotia  
Shri Gopal Patodia

##### **Independent Directors**

Shri D. K. Patel  
Shri V. K. Gupta  
Shri P. P. Dundh  
Shri M. L. Bagaria  
Smt. Hema Thakur

**Total No. of Directors = 10**

#### **A. Board Procedure**

Board Members are given appropriate documents and information in advance of each Board and Committee Meeting to enable the Board to discharge its responsibilities effectively by taking well informed decisions. To enable the Board to discharge its responsibilities effectively, the Managing Director reviews Company's overall performance. The functions performed by the Board includes, in addition to the legal matters compulsorily required to be performed by it, review of:

- Strategy and Business plan
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Compliance with statutory/regulatory requirements and review of major legal issues
- Approval of quarterly/annual results
- Review of the minutes of the Board Meeting, Audit Committee Meeting, Stakeholders Relationship Committee Meeting and Nomination & Remuneration Committee Meeting.
- Matters relating to Foreign Exchange Exposure.

#### **B. Board Meetings and Attendance**

During the financial year 2018-19, four Board Meetings were



held on 26th May, 2018, 11th August, 2018, 14th November, 2018 & 9th February, 2019. Details of attendance at the Board Meeting, Directorship in other Companies and Membership in Committees thereof of each Director are as follows:

Name of the Directors	Attendance at the Board Meeting	Attendance at last AGM	Directorship of other Companies	Committee Memberships *Mem- Chair-ber rman	
Shri K. K. Patodia Chairman & Managing Director	4	No	10	2	1
Shri H. P. Siotia	4	Yes	5	3	1
Shri Gopal Patodia	1	No	7	2	-
Shri Narayan Patodia Managing Director	2	No	5	-	-
Shri Rajiv Patodia Executive Director	4	Yes	5	-	-
Shri V. K. Gupta	4	Yes	-	-	-
Shri D. K. Patel	4	No	7	12	8
Shri P. P. Dundh	4	No	2	-	-
Shri M. L. Bagaria	4	No	2	-	-
Smt. Hema Thakur	4	Yes	3	3	1

No. of Shares held by Non-Executive Directors:

- Shri Hari Prasad Siotia - 42,218 Shares
- Shri Gopal Patodia - 195 Shares

### 3. AUDIT COMMITTEE

**MEMBERS: Shri V. K. Gupta, Shri H. P. Siotia, Shri M. L. Bagaria and Shri P. P. Dundh**

**CHAIRMAN: Shri V. K. Gupta**

The terms of reference of Audit Committee inter alia are as follows:

- a. To investigate into any matter referred to it by the Board and for that purpose to have full access to the information contained in the records of the Company and external professional advice, if necessary.
- b. To oversee the Company's Financial Reporting process and the disclosure of its financial statement to ensure that the financial statement is correct, sufficient and credible.
- c. To recommend the appointment, remuneration and terms of appointment of statutory auditors, fixation of audit fees and also approval for payment of any other services.
- d. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- e. Reviewing with the Management the annual financial statements and Auditor's Report thereon before submission to the Board for approval.

- f. Reviewing with the Management the quarterly financial statements before submission to the Board.
- g. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- h. Scrutiny of inter-corporate loans and investments.
- i. To review the functioning of the Whistle Blower mechanism.
- j. Reviewing with the Management, external and internal auditors, the adequacy of internal control systems.
- k. Reviewing the Company's Financial and Risk Management policies.
- l. To look into the reasons for substantial defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors.
- m. Reviewing of all Related Party Transactions.

The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors, Internal Auditors, Secretarial Auditors and Cost Auditors attend the Audit Committee Meeting by invitation.

Amongst the Board of Directors, three Independent Directors are members of Audit Committee Meeting. The Committee has members with sound knowledge of finance, accounting and law. The Committee deals with all matters of financial reporting, internal controls, risk management, related party transactions etc. The power and role of Audit Committee is as per Regulations set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It meets at least four times in a year and reviews the quarterly and annual financial statements before they are submitted to the Board. The Committee monitors any proposed change in accounting policy, accounting implications of major transactions, etc. The committee also closely reviews the adequacy of internal controls, formulates and monitors the annual audit plan.

Four Audit Committee Meetings were held during the financial year 2018-19. These meetings were held on 26th May, 2018, 11th August, 2018, 14th November, 2018 and 9th February, 2019.

The attendance at the meeting is as under:

Name of the Member	No. of Meetings Attended
Shri V. K. Gupta	4
Shri H. P. Siotia	4
Shri M. L. Bagaria	4
Shri P. P. Dundh	4



**4. NOMINATION & REMUNERATION COMMITTEE**

**MEMBERS: Shri M. L. Bagaria, Shri H. P. Siotia, Shri D. K. Patel and Shri P. P. Dundh.**

**CHAIRMAN: Shri M. L. Bagaria**

The terms of reference of Nomination and Remuneration Committee inter alia are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and Other Employees;
- Formulation of criteria for evaluation of Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in the Annual Report.

During the financial year 2018-19, two Nomination & Remuneration Committee Meeting were held on 26th May, 2018 and 14th November, 2018. The Company Secretary acts as the Secretary to the Committee. Details of attendance at the Nomination & Remuneration Committee are as follows:

Name of the Member	No. of Meeting Attended
Shri M. L. Bagaria	2
Shri H. P. Siotia	2
Shri P. P. Dundh	2
Shri D. K. Patel	2

**(A) Brief about Remuneration Policy:**

Your Company has formulated a policy on Nomination & Remuneration of Directors and Key Managerial Personnel and the major points relating to Remuneration Policy are as under:

**(a) Remuneration structure of Executive & Independent Directors:**

- Independent Directors receive remuneration by way of sitting fees for attending Board Meetings and Board Committee Meetings.
- The remuneration / compensation / commission etc. to be paid to Managing Directors / Executive Director shall be as per their terms

of appointment, subject to the terms and conditions under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force and by the approval of the shareholders.

**(b) Remuneration structure of Key Managerial Personnel (KMP):**

- The remuneration of KMP shall be approved by Nomination & Remuneration Committee.
- The compensation of a KMP is done keeping in consideration the prevailing market value of the resources, criticality of role and internal parity.
- The remuneration structure to KMPs may include a variable performance linked component.

The remuneration of Directors is disclosed under point no. 4 (C) of this report.

**(B) Sitting Fees paid to Non-Executive & Independent Directors for the year ended 31st March, 2019:**

The Non-Executive & Independent Directors have been paid sitting fees for attending Board/Committee Meetings, at the rate of Rs.7000/- per meeting. No sitting fee is paid for attending Stakeholders Relationship Committee Meeting.

The details of fees paid for attending Board Meeting, Audit Committee Meeting and Nomination & Remuneration Committee Meeting for the year ended 31st March, 2019 to the Directors are as follows:

(Amount in Rs.)

Sr. No.	Name of the Director	Board Meeting	Audit Committee Meeting	Nomination & Remuneration Committee Meeting
1.	Shri H. P. Siotia	28,000/-	28,000/-	14,000/-
2.	Shri Gopal Patodia	7,000/-	-	-
3.	Shri D. K. Patel	28,000/-	-	14,000/-
4.	Shri V. K. Gupta	28,000/-	28,000/-	-
5.	Shri P. P. Dundh	28,000/-	28,000/-	14,000/-
6.	Shri M. L. Bagaria	28,000/-	28,000/-	14,000/-
7.	Smt. Hema Thakur	28,000/-	-	-



**(c) Remuneration paid to Executive Directors for the year ended 31st March, 2019 :**

Name	Shri K. K. Patodia Chairman and Managing Director	Shri Narayan Patodia Managing Director	Shri Rajiv Patodia Executive Director and CFO
Salary (Rs.)	21,00,000	15,00,000	9,00,000
Others (Rs.)	42,32,196	8,47,043	13,34,950
Appointment valid upto	20/05/2021	20/05/2021	20/05/2021
Stock Option Details	-	-	-

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE  
Members : Shri K. K. Patodia, Shri H. P. Siotia, Shri Narayan Patodia and Shri Rajiv Patodia.**

**Chairman: Shri H. P. Siotia.**

The Company Secretary acts as the Secretary to the Committee. The functions of the Committee include redressal of investors' grievance pertaining to:

- Transfer/Transmission of Shares.
- Issue of Duplicate Share Certificates.
- Review of Shares Dematerialised.
- Dividend
- All other matters relating to Shareholders

During the year 2018-19, four meetings were held on 25th May, 2018, 10th August, 2018, 13th November, 2018 and 8th February, 2019.

Total number of service requests, enquiries, queries received during the year were Three hundred Fourty-Seven and all of them were resolved.

Total number of investor complaints received and resolved during the year are two.

SEBI by its circular has mandated all the Listed Companies to get their SCORES Registration done. Accordingly, the Company has obtained the same. However, one complaint was received and resolved during the year.

Total number of meetings attended by members:

Name of the Member	No. of Meetings Attended
Shri K. K. Patodia	4
Shri H. P. Siotia	4
Shri Narayan Patodia	2
Shri Rajiv Patodia	4

**6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Corporate Social Responsibility Committee of the Board comprises of Shri K. K. Patodia, Shri Rajiv Patodia and Shri P. P. Dundh.

**7. GENERAL BODY MEETINGS**

Details of Annual General Meetings held during the last three years:

Year	AGM/EGM	Location	Date/Time	Special Resolution Passed
2018	AGM	"The Residence" An Apartment Hotel Saki Vihar Road, Before Nitie, Powai, Mumbai-400 087	29.09.18 9:00 AM	No Special Resolution was passed in the Meeting.
2017	AGM	"The Residence" An Apartment Hotel Saki Vihar Road, Before Nitie, Powai, Mumbai-400 087	23.09.17 9:00 AM	No Special Resolution was passed in the Meeting.
2016	AGM	"The Residence" An Apartment Hotel Saki Vihar Road, Before Nitie, Powai, Mumbai-400 087	16.09.16 9:00 AM	No Special Resolution was passed in the Meeting.

**Special Resolutions passed through Postal Ballot:**

a) During the year, the members have approved the following matters by passing Special Resolutions through Postal Ballot Notice dt. 14th November, 2018:

1. To continue the Directorship of Shri Hari Prasad Siotia (DIN: 00015103) aged 84 Years as Non-Executive Director.

Resolution Required:					Special Resolution			
Whether promoter / promoter groups are interested in the agenda / resolution					Yes			
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3)=[(2)/(1)]*100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6)=[(4)/(2)]*100	% of votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting		0	0	0	0	0	0
	Postal Ballot	6211627	76942	1.24	76942	0	100	0
	<b>Total</b>	<b>6211627</b>	<b>76942</b>	<b>1.24</b>	<b>76942</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Institutions	E-Voting		0	0	0	0	0	0
	Postal Ballot	53680	0	0	0	0	0	0
	<b>Total</b>	<b>53680</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public - Non Institutions	E-Voting		972	0.04	869	103	89.40	10.60
	Postal Ballot	2484558	5706	0.23	5706	0	100	0
	<b>Total</b>	<b>2484558</b>	<b>6678</b>	<b>0.27</b>	<b>6575</b>	<b>103</b>	<b>98.46</b>	<b>1.54</b>
<b>Total</b>		<b>8749865</b>	<b>83620</b>	<b>0.96</b>	<b>83517</b>	<b>103</b>	<b>99.88</b>	<b>0.12</b>

2. To continue the Directorship of Shri Gopal Patodia (DIN: 00014247) aged 71 Years as Non-Executive Director.

<b>Resolution Required:</b>					<b>Special Resolution</b>			
Whether promoter / promoter groups are interested in the agenda / resolution					Yes			
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3) = [(2)/(1)] * 100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6) = [(4)/(2)] * 100	% of votes against on votes polled (7) = [(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	6211627	0	0	0	0	0	0
	Postal Ballot		42218	0.68	42218	0	100	0
	<b>Total</b>		<b>42218</b>	<b>0.68</b>	<b>42218</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Institutions	E-Voting	53680	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Public - Non Institutions	E-Voting	2484558	972	0.04	869	103	89.40	10.60
	Postal Ballot		5706	0.23	5706	0	100	0
	<b>Total</b>		<b>6678</b>	<b>0.27</b>	<b>6575</b>	<b>103</b>	<b>98.46</b>	<b>1.54</b>
<b>Total</b>		<b>8749865</b>	<b>48896</b>	<b>0.56</b>	<b>48793</b>	<b>103</b>	<b>99.79</b>	<b>0.21</b>

3. To Re-appoint Shri Vinod Kumar Gupta (DIN : 00021560) aged 75 Years as an Independent Director.

<b>Resolution Required:</b>					<b>Special Resolution</b>			
Whether promoter / promoter groups are interested in the agenda / resolution					Yes			
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3) = [(2)/(1)] * 100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6) = [(4)/(2)] * 100	% of votes against on votes polled (7) = [(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	6211627	0	0	0	0	0	0
	Postal Ballot		6145952	98.94	6145952	0	100	0
	<b>Total</b>		<b>6145952</b>	<b>98.94</b>	<b>6145952</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Institutions	E-Voting	53680	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Public - Non Institutions	E-Voting	2484558	972	0.04	869	103	89.40	10.60
	Postal Ballot		5706	0.23	5706	0	100	0
	<b>Total</b>		<b>6678</b>	<b>0.27</b>	<b>6575</b>	<b>103</b>	<b>98.46</b>	<b>1.54</b>
<b>Total</b>		<b>8749865</b>	<b>6152630</b>	<b>70.32</b>	<b>6152527</b>	<b>103</b>	<b>99.99</b>	<b>0.01</b>

4. To Re-appoint Shri Dilip Keshavlal Patel (DIN : 00013150) aged 71 Years as an Independent Director.

<b>Resolution Required:</b>					<b>Special Resolution</b>			
Whether promoter / promoter groups are interested in the agenda / resolution					Yes			
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3) = [(2)/(1)] * 100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6) = [(4)/(2)] * 100	% of votes against on votes polled (7) = [(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	6211627	0	0	0	0	0	0
	Postal Ballot		6145952	98.94	6145952	0	100	0
	<b>Total</b>		<b>6145952</b>	<b>98.94</b>	<b>6145952</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Institutions	E-Voting	53680	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Public - Non Institutions	E-Voting	2484558	972	0.04	869	103	89.40	10.60
	Postal Ballot		5706	0.23	5706	0	100	0
	<b>Total</b>		<b>6678</b>	<b>0.27</b>	<b>6575</b>	<b>103</b>	<b>98.46</b>	<b>1.54</b>
<b>Total</b>		<b>8749865</b>	<b>6152630</b>	<b>70.32</b>	<b>6152527</b>	<b>103</b>	<b>99.99</b>	<b>0.01</b>

5. To Re-appoint Shri Pratap Padamshi Dundh (DIN : 00023482) aged 81 Years as an Independent Director.

Resolution Required:					Special Resolution			
Whether promoter / promoter groups are interested in the agenda / resolution					Yes			
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3) = [(2)/(1)] * 100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6) = [(4)/(2)] * 100	% of votes against on votes polled (7) = [(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	6211627	0	0	0	0	0	0
	Postal Ballot		6145952	98.94	6145952	0	100	0
	<b>Total</b>		<b>6145952</b>	<b>98.94</b>	<b>6145952</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Institutions	E-Voting	53680	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public - Non Institutions	E-Voting	2484558	972	0.04	869	103	89.40	10.60
	Postal Ballot		5706	0.23	5706	0	100	0
	<b>Total</b>		<b>6678</b>	<b>0.27</b>	<b>6575</b>	<b>103</b>	<b>98.46</b>	<b>1.54</b>
<b>Total</b>		<b>8749865</b>	<b>6152630</b>	<b>70.32</b>	<b>6152527</b>	<b>103</b>	<b>99.99</b>	<b>0.01</b>

6. To Re-appoint Shri Makhanlal Bagaria (DIN : 01213323) aged 75 Years as an Independent Director.

Resolution Required:					Special Resolution			
Whether promoter / promoter groups are interested in the agenda / resolution					Yes			
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3) = [(2)/(1)] * 100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6) = [(4)/(2)] * 100	% of votes against on votes polled (7) = [(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	6211627	0	0	0	0	0	0
	Postal Ballot		6145952	98.94	6145952	0	100	0
	<b>Total</b>		<b>6145952</b>	<b>98.94</b>	<b>6145952</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Institutions	E-Voting	53680	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public - Non Institutions	E-Voting	2484558	972	0.04	869	103	89.40	10.60
	Postal Ballot		5706	0.23	5706	0	100	0
	<b>Total</b>		<b>6678</b>	<b>0.27</b>	<b>6575</b>	<b>103</b>	<b>98.46</b>	<b>1.54</b>
<b>Total</b>		<b>8749865</b>	<b>6152630</b>	<b>70.32</b>	<b>6152527</b>	<b>103</b>	<b>99.99</b>	<b>0.01</b>

7. To Re-appoint Smt. Hema Thakur (DIN : 01363454) aged 64 Years as an Independent Director.

Resolution Required:					Special Resolution			
Whether promoter / promoter groups are interested in the agenda / resolution					Yes			
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of votes polled on outstanding shares (3) = [(2)/(1)] * 100	No. of votes - in favour (4)	No. of votes - against (5)	% of votes in favour on votes polled (6) = [(4)/(2)] * 100	% of votes against on votes polled (7) = [(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	6211627	0	0	0	0	0	0
	Postal Ballot		6145952	98.94	6145952	0	100	0
	<b>Total</b>		<b>6145952</b>	<b>98.94</b>	<b>6145952</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public-Institutions	E-Voting	53680	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public - Non Institutions	E-Voting	2484558	972	0.04	869	103	89.40	10.60
	Postal Ballot		5706	0.23	5706	0	100	0
	<b>Total</b>		<b>6678</b>	<b>0.27</b>	<b>6575</b>	<b>103</b>	<b>98.46</b>	<b>1.54</b>
<b>Total</b>		<b>8749865</b>	<b>6152630</b>	<b>70.32</b>	<b>6152527</b>	<b>103</b>	<b>99.99</b>	<b>0.01</b>

**EUROTEX  
INDUSTRIES AND EXPORTS  
LIMITED**

- b) Person who conducted the Postal Ballot Exercise: Dr. S. K. Jain, Practicing Company Secretary, 11, Friends Union Premises Co-operative Society Ltd., 2nd Floor, 227, P. D'Mello Road, Beside Manama Hotel, Mumbai - 400 001.
- c) Procedure for Postal Ballot:  
The procedure for Postal Ballot is as per the provisions contained in this behalf in the Companies Act, 2013 and Rules made thereunder namely the Companies (Management and Administration) Rules, 2014.

**8. MEETING OF INDEPENDENT DIRECTORS**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 8th February, 2019 to review the performance of Non-Independent Directors, Chairman and the Board as a whole. The Independent Directors also reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

**9. MEANS OF COMMUNICATION**

The Company generally publishes the quarterly, half yearly, nine months and annual audited financial results in FREE PRESS JOURNAL (National) and NAV SHAKTI (Regional - Marathi) newspapers.

The Company's website (www.eurotexgroup.com) contains a separate dedicated section 'Investor Information' which contains relevant information for shareholders. Further, the Annual Report and Financials are also available on the website of the Company.

All periodical compliance like Announcements, Shareholding Pattern, Corporate Governance Report, Book Closure Dates, etc. are electronically filed in NSE and BSE through 'NSE NEAPS' and 'BSE LISTING CENTRE'.

All material information about the Company is promptly reported to Stock Exchanges where the Company's shares are listed and released to the press.

**10. SHAREHOLDERS' INFORMATION**

1. Annual General Meeting:
- Day, Date and Time : Saturday, 28th September, 2019 at 9:00 a.m.
  - Venue : Ramada Powai Hotel and Convention Centre, Saki Vihar Road, Before Nitie, Powai, Mumbai - 400087.
2. Financial Calendar (tentative)
- Annual General Meeting: 28th September, 2019
- Results for quarter ending 30th June, 2019: Second week of August, 2019

Results for quarter ending

30th September, 2019: Second week of November, 2019

Results for quarter ending

31st December, 2019: Second week of February, 2020

Results for year ending

31st March, 2020: Last week of May, 2020

3. Book closure Date : 18th September, 2019 to 28th September, 2019 (Both days inclusive)

4. Registered Office : **EUROTEX INDUSTRIES AND EXPORTS LTD.**  
1110, Raheja Chambers, 11th Flr., 213, Nariman Point, Mumbai-400 021.

5. Listing Details of Equity Shares :
- a) Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
  - b) National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Listing fees for the financial year 2018-19 has been paid to the Stock Exchanges where the shares of the Company are listed.

6. Stock Code: 1) 521014 at Bombay Stock Exchange Ltd.  
2) EUROTEXIND at National Stock Exchange of India Ltd.

7. Depositories for Equity Shares:  
National Securities Depository Ltd. : ISIN  
Central Depository Services (India) Ltd. : INE022C01012

8. Stock Performance

Stock Price Data:

Year	(in Rs.)	
	High	Low
April, 2018	38.00	31.50
May, 2018	35.70	27.60
June, 2018	32.60	23.10
July, 2018	25.40	21.00
August, 2018	24.90	21.05
September, 2018	26.95	19.15
October, 2018	26.15	17.05
November, 2018	24.95	22.05
December, 2018	22.80	21.50
January, 2019	23.15	18.35
February, 2019	18.30	17.40
March, 2019	17.35	15.80



Year	National Stock Exchange of India Ltd. (NSE) (in Rs.)	
	High	Low
April, 2018	38.20	33.15
May, 2018	35.95	26.10
June, 2018	33.95	23.00
July, 2018	31.35	20.00
August, 2018	24.95	20.05
September, 2018	24.95	19.30
October, 2018	27.20	17.40
November, 2018	24.15	19.10
December, 2018	24.15	19.00
January, 2019	23.20	17.30
February, 2019	20.00	14.00
March, 2019	18.85	14.70

9. Comparison of share prices with broad based index like BSE SENSEX: Since the company is in the Textile Industry which does not have proper representation in the BSE SENSEX, the comparison of share prices with BSE SENSEX movement is not given.

10. Registrars & Transfer Agents: Datamatics Business Solutions Ltd.  
Plot No.B-5, Part B, Cross Lane,  
MIDC, Marol, Andheri (East),  
Mumbai - 400093.  
Phone No.: 022 - 66712156  
Fax No.: 022 - 66712161

#### 11. Share Transfer System:

Shares sent for transfer in physical form are registered by Registrars and Share Transfer Agents within 15 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialisation of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

#### 12. Distribution of Shareholding as on 31st March, 2018:

No. of Equity Shares	No. of Shareholders	No. of Shares held	% of Share holding
Upto 500	5,902	7,45,280	8.52
501 to 1000	268	2,12,252	2.43
1001 to 2000	130	1,96,664	2.25
2001 to 3000	52	1,29,359	1.48
3001 to 4000	19	67,224	0.77
4001 to 5000	15	69,525	0.80
5001 to 10,000	26	1,82,056	2.08
10,001 to 50,000	27	6,25,593	7.15
50,001 and above	7	65,21,912	74.52
<b>Total</b>	<b>6446</b>	<b>87,49,865</b>	<b>100.00</b>

13. Dematerialisation of shares and liquidity: 95.30% of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2019.

14. Plant Locations : Plot E-23 and E-1, MIDC,  
Gokul Shirgaon, Taluka - Karveer,  
Kolhapur - 416234. Maharashtra.

Plot No. T-4, MIDC,  
Kagal Hatkanangale,  
Kolhapur - 416216. Maharashtra.

15. Address for Correspondence : Eurotex Industries and Exports Ltd.  
1110, Raheja Chambers, 11th Flr.,  
213, Nariman Point,  
Mumbai - 400021.  
Phone : 022-22041408  
Fax : 022-22044139  
Email: eurotex@eurotexgroup.com

16. Compliance Officer : Rahul Rawat  
Company Secretary  
1110, Raheja Chambers, 11th Flr.,  
213, Nariman Point,  
Mumbai - 400021.  
Phone: 022-22041408  
Fax : 022-22044139

#### 11. OTHER DISCLOSURES

- There are no materially significant related party transactions i.e. transactions material in nature, with its Promoters, the Directors, or the Management having potential conflict with the interest of Company at large.
- There has not been any non-compliance by the Company and no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority or any matter related to Capital Markets, during the last three years.
- The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and a Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may also report to the Chairman of the Audit Committee of any unethical behaviour. During the year under review no employee was denied access to Audit Committee.
- Compliance with the Listing Regulations: The Company is in Compliance with all the mandatory requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- The Company has no subsidiary and hence there is no policy for deciding the 'Material Subsidiary'.

(f) The policy on Related Party Transactions are available on the website of the Company i.e. [www.eurotexgroup.com](http://www.eurotexgroup.com)

12. The Company has complied with with all the mandatory requirements as specified in sub para (2) to (10) of Part C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in the Corporate Governance report, to the extent applicable.

13. The Company has not adopted any of the non-mandatory requirements given in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

**K. K. PATODIA**

*Chairman*

*and Managing Director*

Place : Mumbai

Date : 25th May, 2019

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of

**M/s. Eurotex Industries and Exports Ltd.**

1. This certificate is issued in accordance with our engagement letter dated 8th October, 2018
2. This certificate contains details of compliance of conditions of Corporate Governance by EUROTEX INDUSTRIES & EXPORTS LIMITED ('the Company') for the year ended 31st March, 2019, as stipulated in Regulations 17-27, Clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Stock Exchanges.

### **Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the designing, implimenting and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'),

and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

### **Opinion**

7. Based on the procedures performed by us and to the best of our information and according to explanations given to us, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### **Restriction on Use**

9. The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For SVP & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No. 003838N

**(YOGESH KUMAR SINGHANIA)**

Place : Mumbai

Date : 25th May, 2019

*Partner*

*(M. No. 111473)*





## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
EUROTEX INDUSTRIES AND EXPORTS LIMITED

### Report on the Audit of Financial Statements

We have audited the accompanying financial statements of **Eurotex Industries and Exports Limited** ("the Company"), which comprises of Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its losses and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditor's response
<b>Evaluation of Indirect Tax and Other Receivables</b>		
	The Company has MVAT receivables of Rs.73.19 lakhs for the financial year 2007-08, CENVAT receivables in relation to Excise of Rs.9.57 Lakhs for the financial year 2013-14 and MSEB Load Factor Incentives receivables of Rs.178.03 Lakhs pertaining to financial years from 2005-2008 including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	<p>Obtained understanding of key uncertain tax positions.</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from the Management.</p> <p>Discussed with appropriate senior management and evaluated the Management's underlying key assumptions in estimating the tax provision.</p> <p>Assessed management's estimate of the possible outcome of the disputed cases.</p> <p>Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board Report, Corporate Governance report and Shareholder's information, but does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our

opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and



- explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
  - (c) The Balance Sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - (e) On the basis of the written representation received from the directors as on March 31, 2019 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 32.1.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SVP & Associates  
Chartered Accountants  
Firm Regn. No. 003838N

(YOGESH KUMAR SINGHANIA)

Place : Mumbai  
Date : 25th May, 2019

Partner  
(M. No. 111473)

## "ANNEXURE A"

### Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the members of Eurotex Industries and Exports Limited of even date:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- i.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).
  - b) According to the information and explanations given to us, the property, plant and equipment (fixed assets) have been physically verified by the management at the year end, which in our opinion, is reasonable considering the size of the Company and nature of its property, plant and equipment (fixed assets). As explained, no material discrepancies were noticed on such verification.
  - c) Based on the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory has been physically verified by the management at reasonable intervals. As per the

information and explanation given to us, discrepancies noticed on physical verification between the physical stock and book records were not material.

- iii) The Company has not granted any loans secured or unsecured to the Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, The Provision of Clause 3(iii) of the Order are not applicable to the Companies.
- iv) The Company has not granted any loan, guarantees and security to the parties covered in Section 185 of the Act. The provision of Section 186 of the Act have been complied in respect of the investments made.
- v) No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion

that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service taxes and other material statutory dues applicable to the Company with the appropriate authorities except delay in payment of Provident Fund upto 37 days and amount involved Rs.25.16 Lakhs, ESIC upto 37 days and amount involved Rs.7.02 lakhs and TDS/TCS upto 45 days and amount involved Rs.11.23 Lakhs (being maximum amount), beside, amount yet to be paid aggregating of Rs.53.39 lakhs.

No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues	Period to which it relates	Amount Rs. In Lakhs	Forum where dispute is Pending
The Custom Act, 1962	Cenvat Duty & Penalty	2006-07	131.08	Custom, Excise and Service Tax Appellate Tribunal (CESTAT)
M. VAT Act, 2002	M. VAT	2005-06	184.38	Maharashtra Sales Tax Tribunal Mumbai.
Central Sales Tax Act, 1956		2006-07	101.59	

- viii) In our opinion and according to the information and explanations given to us, during the year, the Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken loans or borrowings from financial

institution and government and also do not have any outstanding dues to debenture holder during the year.

- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past and has taken term loans which were applied for the purpose for which the loans were obtained.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on the examination of the records, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The provisions of Nidhi Company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, the provisions of Section 177 and 188 of Act, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards in Note No.32.5 to the Ind AS Financial Statements.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.
- xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For SVP & Associates**  
Chartered Accountants  
Firm Regn. No. 003838N

**(YOGESH KUMAR SINGHANIA)**

Place : Mumbai  
Date : 25th May, 2019

*Partner*  
(M. No. 111473)





## “ANNEXURE B”

**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Eurotex Industries and Exports Limited of even date:**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“Act”)**

We have audited the internal financial controls over financial reporting of **Eurotex Industries and Exports Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SVP & Associates**  
Chartered Accountants  
Firm Regn. No. 003838N

(**YOGESH KUMAR SINGHANIA**)

Place : Mumbai  
Date : 25th May, 2019

*Partner*  
(*M. No. 111473*)

## BALANCE SHEET

As at 31st March, 2019

	Note No.	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (₹ in Lakhs)
<b>I ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	1	5,748.86	6,130.71
(b) Capital Work-in-Progress	2	-	0.46
<b>(c) Financial Assets</b>			
(i) Investments	3	5.00	1,321.89
(ii) Deposits	4	124.24	368.03
(d) Income Tax Assets (Net)	5	35.57	19.35
(e) Other Non-Current Assets	6	368.36	440.28
Total Non-Current Assets		6,282.03	8,280.72
<b>2 CURRENT ASSETS</b>			
(a) Inventories	7	3,302.45	5,484.98
<b>(b) Financial Assets</b>			
(i) Investments	7(1)	1,244.52	-
(ii) Trade Receivables	8	165.50	1,082.22
(iii) Cash and Cash Equivalents	9	14.48	122.51
(iv) Bank Balances other than (ii) above	10	2.47	20.34
(v) Other Financial Assets	11	21.94	24.38
(c) Other Current Assets	12	258.91	398.45
Total Current Assets		5,010.27	7,132.88
<b>TOTAL ASSETS</b>		<b>11,292.30</b>	<b>15,413.60</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity Share Capital	13	874.02	874.02
(b) Other Equity	14	1,538.44	3,285.67
Total Equity		2,412.46	4,159.69
<b>2 LIABILITY</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15	547.00	619.64
(b) Deferred Tax Liabilities (Net)	34(c)	1,271.07	1,295.41
Total Non-Current Liabilities		1,818.07	1,915.05
<b>3 CURRENT LIABILITIES</b>			
<b>(a) Financial Liabilities</b>			
(I) Borrowings	16	2,784.77	4,558.83
(II) Trade Payables	17		
(i) Total outstanding due to micro enterprises and small enterprises		32.80	28.02
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises		1,871.09	3,022.37
(iii) Other financial liabilities	18	340.65	200.90
(b) Other Current Liabilities	19	1,674.58	1,221.86
(c) Provisions	20	357.88	306.88
Total Current Liabilities		7,061.77	9,338.86
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,292.30</b>	<b>15,413.60</b>

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS

1 to 41

Notes referred to above form an integral part of the Financial Statements

As per our attached report of even date

**For SVP & ASSOCIATES**

Chartered Accountants

**(YOGESH KUMAR SINGHANIA)**

Partner

(M. No. 111473)

(Firm Reg. No. 003838N)

**RAHUL RAWAT**  
Company Secretary

**K. K. PATODIA**

**NARAYAN PATODIA**

**RAJIV PATODIA**

**H. P. SIOTIA**

**V. K. GUPTA**

**M. L. BAGARIA**

**P. P. DUNDH**

**DIN: 00027335**

**DIN: 00013122**

**DIN: 00026711**

**DIN: 00015103**

**DIN: 00021560**

**DIN: 01213323**

**DIN: 00023482**

Chairman and Managing Director

Managing Director

Executive Director & CFO

Director

Director

Director

Director

Mumbai, 25th May, 2019

Mumbai, 25th May, 2019



## STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2019

	Note No.	For the Year ended 31st March, 2019 (₹ in Lakhs)	For the Year ended 31st March, 2018 (₹ in Lakhs)
<b>I REVENUE FROM OPERATIONS</b>	21	<b>19,675.05</b>	25,205.16
<b>II OTHER INCOME</b>	22	<b>139.87</b>	113.72
<b>III TOTAL INCOME</b>		<b>19,814.92</b>	25,318.88
<b>IV EXPENSES :</b>			
Cost of Materials Consumed	23	<b>8,992.66</b>	12,969.22
Purchase of Stock-in-Trade	24	<b>5,645.34</b>	5,108.70
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	<b>(149.64)</b>	638.41
Employee Benefits Expense	26	<b>2,040.73</b>	2,350.53
Power and Fuel	27	<b>1,868.53</b>	2,488.90
Finance Costs	28	<b>679.14</b>	719.82
Depreciation and Amortisation Expense	01	<b>390.66</b>	398.46
Other Expenses	29	<b>2,076.26</b>	2,173.00
<b>TOTAL EXPENSES</b>		<b>21,543.68</b>	26,847.04
<b>V LOSS FOR THE YEAR BEFORE TAX</b>		<b>(1,728.76)</b>	(1,528.16)
<b>Tax Expenses:</b>			
Deferred Tax charged / (credit)		<b>(18.91)</b>	(100.21)
Prior Years' Tax Adjustments		<b>(2.47)</b>	(10.76)
<b>TOTAL TAX EXPENSES</b>		<b>(21.38)</b>	(110.97)
<b>VI LOSS FOR THE YEAR</b>		<b>(1,707.38)</b>	(1,417.19)
<b>VII OTHER COMPREHENSIVE INCOME</b>			
(i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of the net defined benefit liabilities		<b>27.09</b>	26.76
(b) Equity Instruments fair valued through other comprehensive income		<b>(72.37)</b>	(61.22)
(ii) Income Tax relating to items that will not be reclassified to profit or loss		<b>5.43</b>	3.22
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(1,747.23)</b>	(1,448.43)
<b>VIII Earnings Per Share (face value of Rs.10 per equity share)</b>			
<b>Basic and Diluted Earnings Per Share (Rs.)</b>		<b>(19.51)</b>	(16.20)

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENTS

1 to 41

Notes referred to above form an integral part of the Financial Statements

As per our attached report of even date

**For SVP & ASSOCIATES**

Chartered Accountants

(YOGESH KUMAR SINGHANIA)

Partner

(M. No. 111473)

(Firm Reg. No. 003838N)

**RAHUL RAWAT**  
Company Secretary

**K. K. PATODIA**

**NARAYAN PATODIA**

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**P. P. DUNDH**

**DIN: 00027335**

**DIN: 00013122**

**DIN: 00026711**

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**DIN: 01213323**

**DIN: 00023482**

Chairman and Managing Director

Managing Director

Executive Director & CFO

Director

Director

Director

Director

Mumbai, 25th May, 2019

Mumbai, 25th May, 2019



## STATEMENT OF CASH FLOWS

For the year ended 31st March, 2019

(₹ in Lakhs)

	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Loss before Tax	(1,728.76)	(1,528.16)
<b>Adjustments for:</b>		
- Depreciation and amortization Expense	390.66	398.46
- Finance Costs	679.31	721.14
- Interest Earned	(30.17)	(31.32)
- Provisions no longer required written back	(1.56)	(1.79)
- (Profit) / Loss on sale of Property, Plant and Equipment	(0.33)	11.65
- Dividend earned	(55.38)	(47.47)
- Remeasurement of the net defined benefit liabilities / (assets)	27.09	26.76
<b>Operating Profit before working capital changes</b>	<b>(719.14)</b>	<b>(450.73)</b>
<b>Adjustments for:</b>		
- Decrease/(Increase) in Trade and other receivables	1,392.28	288.33
- Decrease/(Increase) in Inventories	2,182.53	701.12
- Increase/(Decrease) in Trade and other payables	(501.49)	(496.60)
Cash generated from operations	2,354.18	42.12
Direct Taxes paid	(13.75)	(5.46)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>2,340.43</b>	<b>36.66</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
- Purchase of property, plant and equipment	(8.81)	(20.80)
- Sale of property, plant and equipment	-	36.44
- Interest Received	30.17	31.32
- Dividend Received	55.38	47.47
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>76.74</b>	<b>94.43</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
- Preference Shares Issued	-	-
- (Repayment) of Long-Term Borrowings (Net)	(72.00)	(78.02)
- (Repayment)/Proceeds of Short-Term Borrowings (Net)	(1,774.06)	681.97
- Finance costs paid	(679.14)	(694.02)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(2,525.20)</b>	<b>(90.07)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(108.03)</b>	<b>41.02</b>
Cash and cash equivalents at the beginning of the year	122.51	81.49
Cash and cash equivalents at the end of the year	14.48	122.51

Notes referred to above form an integral part of the financial statements

As per our attached report of even date  
For SVP & ASSOCIATES  
Chartered Accountants  
(YOGESH KUMAR SINGHANIA)  
Partner

(M. No. 111473)  
(Firm Reg. No. 003838N)

Mumbai, 25th May, 2019

RAHUL RAWAT  
Company Secretary

K. K. PATODIA **DIN: 00027335**  
NARAYAN PATODIA **DIN: 00013122**  
RAJIV PATODIA **DIN: 00026711**  
H. P. SIOTIA **DIN: 00015103**  
V. K. GUPTA **DIN: 00021560**  
M. L. BAGARIA **DIN: 01213323**  
P. P. DUNDH **DIN: 00023482**

Chairman and Managing Director  
Managing Director  
Executive Director & CFO  
Director  
Director  
Director  
Director

Mumbai, 25th May, 2019



## STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2019

<b>A) Equity Share Capital</b>	(₹ in Lakhs)
Balance as at 1st April, 2017	874.02
Changes in Share Capital during the year	-
<b>Balance as at 31st March, 2018</b>	<b>874.02</b>
Changes in Share Capital during the year	-
<b>Balance as at 31st March, 2019</b>	<b>874.02</b>

### B) Other Equity (₹ in Lakhs)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income		Total
	Capital Redemption Reserve	Capital Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	Fair valuation of Equity Instruments	Actuarial Gains / Losses	
Balance as at 1st April, 2017	3,275.10	40.00	1,005.07	72.46	(533.61)	847.74	27.34	4,734.10
Profit / (Loss) for the year	-	-	-	-	(1,417.19)	-	-	(1,417.19)
Other Comprehensive Income for the year (Net of Tax)	-	-	-	-	-	(48.74)	17.50	(31.24)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	(48.74)	17.50	(1,448.43)
<b>Balance as at 31st March, 2018</b>	<b>3,275.10</b>	<b>40.00</b>	<b>1,005.07</b>	<b>72.46</b>	<b>(1,950.80)</b>	<b>799.00</b>	<b>44.84</b>	<b>3,285.67</b>
Profit / (Loss) for the year	-	-	-	-	(1,707.38)	-	-	(1,707.38)
Other Comprehensive Income for the year (Net of Tax)	-	-	-	-	-	(57.47)	17.62	(39.85)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(1,707.38)	(57.47)	17.62	(1,747.23)
<b>Balance as at 31st March, 2019</b>	<b>3,275.10</b>	<b>40.00</b>	<b>1,005.07</b>	<b>72.46</b>	<b>(3,658.18)</b>	<b>741.53</b>	<b>62.46</b>	<b>1,538.44</b>

Notes referred to above form an integral part of the Financial Statements

As per our attached report of even date  
**For SVP & ASSOCIATES**  
Chartered Accountants  
(YOGESH KUMAR SINGHANIA)  
Partner

(M. No. 111473)  
(Firm Reg. No. 003838N)

Mumbai, 25th May, 2019

**RAHUL RAWAT**  
Company Secretary

**K. K. PATODIA** **DIN: 00027335**  
**NARAYAN PATODIA** **DIN: 00013122**  
**RAJIV PATODIA** **DIN: 00026711**  
**H. P. SIOTIA** **DIN: 00015103**  
**V. K. GUPTA** **DIN: 00021560**  
**M. L. BAGARIA** **DIN: 01213323**  
**P. P. DUNDH** **DIN: 00023482**

*Chairman and Managing Director*  
*Managing Director*  
*Executive Director & CFO*  
*Director*  
*Director*  
*Director*  
*Director*

Mumbai, 25th May, 2019

**NOTES TO FINANCIAL STATEMENTS**  
Forming Part of the Balance Sheet as at 31st March, 2019

**NOTE - 1**  
**PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Description of Assets	Land		Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total
	Freehold	Leasehold						
I. Deemed carrying cost as at 01.04.2017	100.15	173.03	2,377.71	3,788.73	34.87	53.60	13.95	6,540.04
Additions	-	-	10.67	11.55	0.92	-	2.43	25.57
Deductions / Adjustments	21.73	-	-	14.70	-	-	-	36.44
Balance as at 31.03.2018	78.42	173.03	2,388.38	3,785.58	35.79	53.60	16.38	6,529.17
Additions	-	-	-	4.57	0.25	-	3.99	8.81
Other - Deductions / Adjustments	-	-	-	-	0.64	4.42	-	5.06
Balance as at 31.03.2019	78.42	173.03	2,388.38	3,790.15	35.40	49.18	20.37	6,532.92
II. Accumulated depreciation								
Balance as at 01.04.2018	-	2.09	129.28	248.52	4.20	9.74	4.63	398.46
Balance as at 31.03.2018	-	2.09	129.28	248.52	4.20	9.74	4.63	398.46
Depreciation charged for the year	-	2.09	128.03	243.36	3.80	9.71	3.67	390.66
Deductions	-	-	-	-	0.64	4.42	-	5.06
Balance as at 31.03.2019	-	4.18	257.31	491.88	7.36	15.03	8.30	784.06
III. Net Carrying Value								
Balance as at 31.03.2019	78.42	166.85	2,131.07	3,298.27	28.04	34.15	12.07	5,748.86
Balance as at 31.03.2018	78.42	168.94	2,259.10	3,537.06	31.59	43.86	11.75	6,130.71

Notes:

- Leasehold Land acquired from time to time are for 95 years commencing from the year 1989 to year 2006.
- Leasehold Land and Building include Rs.6.78 Lakhs (As at 31st March, 2018 - Rs.6.78 Lakhs) and Rs.11.08 Lakhs (As at 31st March, 2018 - Rs.11.08 Lakhs), respectively being cost of premises in a Co-operative Society held in the name of Managing Director on behalf of the Company.
- Buildings include Rs.0.00 Lakhs\* (As at 31st March, 2018 - 0.00 Lakhs\*) being the value of 10 Shares in a Co-operative Society.
- Refer note 15 and 16 for property, plant and equipment mortgaged as collateral security against bank borrowings.

	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (₹ in Lakhs)
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**NOTE - 2**  
**CAPITAL WORK-IN-PROGRESS**

**Capital work-in-progress**

Building under construction

-	0.46
-	0.46

**FINANCIAL ASSETS:**

**NOTE - 3**

**INVESTMENTS (Quoted, non trade & fully paid-up)**

Investments in Equity Instruments

Fair valued through other comprehensive income

PBM Polytex Limited of Rs.10 each

NIL Equity Shares (as at 31st March, 2018 - 15,82,347)

IDBI Limited of Rs.10 each

10,720 Equity Shares (as at 31st March, 2018 - 10,720)

-	1,314.14
5.00	7.75
5.00	1,321.89

Aggregate market value of quoted investments

Aggregate carrying value of quoted investments

5.00	1,321.89
5.00	1,321.89



**NOTES TO FINANCIAL STATEMENTS**  
Forming Part of the Balance Sheet as at 31st March, 2019

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	<u>(₹ in Lakhs)</u>	<u>(₹ in Lakhs)</u>
<b>NOTE - 4</b>		
<b>DEPOSITS</b>		
Unsecured, considered good		
Security Deposits		
a) MSEB Deposits	<b>108.67</b>	349.85
b) MIDC Water Deposits	<b>11.01</b>	11.01
c) Other Deposits	<b>4.56</b>	7.17
	<b>124.24</b>	<b>368.03</b>
<b>NOTE - 5</b>		
<b>INCOME TAX ASSETS (NET)</b>		
Advance Tax / Tax Deducted at Source	<b>35.57</b>	19.35
(Net of Provision for Taxation Rs. NIL; As at 31st March, 2018 Rs.499.47 Lakhs)		
	<b>35.57</b>	19.35
<b>NOTE - 6</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Unsecured, considered good		
a) Capital Advances	<b>20.20</b>	20.20
b) Balance with Central Excise Department	-	19.50
c) Load Factor Incentives receivable	<b>178.06</b>	178.06
d) MVAT/CST refund receivable	<b>170.10</b>	222.52
	<b>368.36</b>	<b>440.28</b>
<b>NOTE - 7</b>		
<b>INVENTORIES</b>		
a) Raw Materials	<b>930.35</b>	3,224.63
b) Work-in-process	<b>105.73</b>	404.77
c) Finished Goods		
Including goods-in-transit of Rs.Nil (As at 31st March, 2018 - Rs.179.07 Lakhs)	<b>2,047.02</b>	1,535.82
d) Stores, Spares and Fuel	<b>121.03</b>	161.41
e) Packing Materials	<b>37.64</b>	35.16
f) Cotton Waste		
Including goods-in-transit of Rs.Nil (As at 31st March, 2018 - Rs.20.77 Lakhs)	<b>15.45</b>	77.98
g) Freehold Land (Refer Note 39)	<b>45.23</b>	45.21
	<b>3,302.45</b>	<b>5,484.98</b>
1. Refer Note No. 31.8 for mode of valuation and accounting policy followed.		
2. Inventories written down to net Realisable value by Rs. 13.13 Lakhs (as at 31st March, 2018 - Rs. 16.60 Lakhs) based on management inventory policy -Non & slow moving inventory. The same has been recognised as an expense during the year and included in "changes in Inventories of finished goods, work-in-progress and stock-in-trade" in statement of Profit and Loss.		
3. Refer Note No. 15 for inventories hypothecated as primary security against certain bank borrowings.		

**NOTES TO FINANCIAL STATEMENTS**  
Forming Part of the Balance Sheet as at 31st March, 2019

	<u>As at</u> <u>31st March, 2019</u> (₹ in Lakhs)	<u>As at</u> <u>31st March, 2018</u> (₹ in Lakhs)
<b>NOTE - 7 (1)</b>		
<b>INVESTMENTS (Quoted, Trade &amp; Fully Paid-up)</b>		
Investments in Equity Instruments		
Fair valued through other comprehensive income		
PBM Polytex Limited of Rs.10 each		
15,82,347 Equity Shares (As at 31st March, 2018 - Nil)	1,244.52	—
	<u>1,244.52</u>	<u>—</u>
Aggregate market value of quoted investments	1,244.52	—
Aggregate carrying value of quoted investments	1,244.52	—
<b>NOTE - 8</b>		
<b>TRADE RECEIVABLES</b>		
Trade receivables considered goods - Secured	45.75	558.28
Trade receivables considered goods - Unsecured	119.75	523.94
Trade receivables which have significant increase in credit risk	—	—
Trade receivables - Credit Impaired	—	—
	<u>165.50</u>	<u>1,082.22</u>
1. Trade receivables are secured by letter of credit received from foreign customers.		
2. Refer Note No.15 for trade receivables charged against bank borrowings.		
3. Refer Note No. 36 for credit terms, ageing analysis and other relevant details related to trade receivables.		
<b>NOTE - 9</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Bank		
a) Balances in Current Accounts	1.48	118.85
b) Cash on hand	13.00	3.66
	<u>14.48</u>	<u>122.51</u>
<b>NOTE - 10</b>		
<b>BANK BALANCES OTHER THAN ABOVE</b>		
Balances with Banks		
a) In Deposit Accounts (Refer Note 15)	1.10	18.97
b) In Divident Accounts	1.37	1.37
	<u>2.47</u>	<u>20.34</u>
<b>NOTE - 11</b>		
<b>OTHER FINANCIAL ASSETS</b>		
Interest Receivable	21.94	24.38
	<u>21.94</u>	<u>24.38</u>



**NOTES TO FINANCIAL STATEMENTS**  
Forming Part of the Balance Sheet as at 31st March, 2019

	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (₹ in Lakhs)
<b>NOTE - 12</b>		
<b>OTHER CURRENT ASSETS</b>		
Unsecured, considered good		
a) Advances given to -		
Suppliers	26.51	29.13
Employees	6.33	6.58
Others	39.40	20.01
b) Prepayments	47.24	70.04
c) Export Incentive Receivable	6.21	9.74
d) MVAT Refund Receivable	37.35	37.35
e) Interest Rebate Receivable	2.39	34.50
f) Cenvat Credit / IGST Refund Receivable	39.16	129.21
g) GST Input Credit Receivable	54.32	61.89
	<b>258.91</b>	<b>398.45</b>

**NOTE - 13**  
**EQUITY SHARE CAPITAL**

	As at 31st March, 2019		As at 31st March, 2018	
Share Capital	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Authorised:</b>				
Equity Shares of Rs.10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Preference Shares of Rs.10 each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
	4,00,00,000	4,000.00	4,00,00,000	4,000.00
<b>Issued, Subscribed and Paid up:</b>				
Equity Shares of Rs.10 each	87,49,865	874.99	87,49,865	874.99
Less: Allotment money receivable (Other than from directors)		0.97		0.97
Equity Shares of Rs.10/- each (Fully Paid up)	87,49,865	874.02	87,49,865	874.02
Preference Shares of Rs.10/- each (Fully Paid up)*	-	-	-	-
	87,49,865	874.02	87,49,865	874.02

**a) Right of Equity Shareholders:**

The Company has only one class of equity shares of par value Rs.10. The holder of this equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity share will be entitled to receive any of the remaining assets of the Company after distribution of the preferential payments. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

**b) Right of Preference Shareholders:**

The Preference Shares shall be redeemed at par at the expiry of 10th year from the date of allotment. The Company shall have right to exercise call option. The payment of dividend on such shares shall be on Non-Cumulative basis and are non convertible into equity or any other security. In case the dividend on such shares remains unpaid for a period of 2 years or more, the shareholder of such shares shall have a right to vote on all resolutions placed before the Company.

## NOTES TO FINANCIAL STATEMENTS

### Forming Part of the Balance Sheet as at 31st March, 2019

As per Ind AS 32, Financial Instruments, Non-Cumulative and Non-Convertible Preference Shares are classified as financial liabilities if principal amount is redeemable. Accordingly, 50,00,000 Non-Cumulative and Non-Convertible Preference Shares (Previous Year - 50,00,000 Preference Shares) having face value of Rs.10 each fully paid up are classified as financial liabilities and thus included in borrowings and 6% interest (dividend) provided thereof.

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Rs.	Number	Rs.
<b>Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:</b>				
Shares outstanding at the beginning of the year	87,49,865	8,74,98,650	87,49,865	8,74,98,650
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	87,49,865	8,74,98,650	87,49,865	8,74,98,650
<b>Reconciliation of Preference Shares outstanding at the beginning and at the end of the year:</b>				
Shares outstanding at the beginning of the year	50,00,000	5,00,00,000	50,00,000	50,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,00,000	5,00,00,000	50,00,000	50,00,000
<b>Shareholders holding more than 5% Shareholding of Equity Shares:</b>				
<b>Name of Shareholder</b>	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Patodia Syntex Limited	37,94,812	43.37	37,94,812	43.37
PBM Polytex Limited	22,31,980	25.51	22,31,980	25.51
<b>Shareholders holding more than 5% Shareholding of Preference Shares:</b>				
PBM Polytex Limited	46,00,000	92.00	50,00,000	100
Star Silk Exports Private Limited	4,00,000	8.00	-	-

Note: The Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

### NOTE - 14

#### OTHER EQUITY

	As at 31st March, 2019	As at 31st March, 2018
	(₹ in Lakhs)	(₹ in Lakhs)
a) Capital Redemption Reserve (Created on redemption of Preference Shares)	3,275.10	3,275.10
b) Capital Reserve (Created on receipt of special capital incentive)	40.00	40.00
c) Securities Premium (Created on right issue of shares)	1,005.07	1,005.07
d) Revaluation Reserve (Created on revaluation of Property, Plant & Equipment)	72.46	72.46
e) Retained Earnings Opening Balance	(1,950.80)	(533.61)
Add: Loss for the year	(1,707.38)	(1,417.19)
Balance Available for Appropriations	(3,658.18)	(1,950.80)
f) Other Comprehensive Income Opening Balance	843.84	875.08
Add: Actuarial Gain/(Loss) on defined benefit liabilities/(assets) (Net of Tax)	17.62	17.50
Add: Fair value Gain/(Loss) on Investment (Net of Tax)	(57.47)	(48.74)
	<b>803.99</b>	<b>843.84</b>
	<b>1,538.44</b>	<b>3,285.67</b>



**NOTES TO FINANCIAL STATEMENTS**  
Forming Part of the Balance Sheet as at 31st March, 2019

	As at 31st March, 2019 (₹ in Lakhs)	As at 31st March, 2018 (₹ in Lakhs)
<b>NOTE - 15</b>		
<b>BORROWINGS</b>		
a) Secured Loans:		
i) Term Loans		
From Banks	44.00	116.00
ii) Vehicle Loans		
From a Bank	-	0.64
	44.00	116.64
b) Unsecured Loans:		
i) Interest free Loan from a related party repayable in FY 2019-20 Promoter's Contribution	3.00	3.00
ii) Non Cumulative, Non Convertible Preference Shares [Refer Note 13(b)]	500.00	500.00
	547.00	619.64

**Notes:**

- 1) Term Loans from banks above are secured by way of first pari-passu mortgage created on immovable properties of the Company situated at MIDC, Gokul Shirgaon, Kolhapur and other movable assets both present and future and second pari-passu charge created on inventories and book debts both present and future and some immovable properties of the Company at Kolhapur. Deposits with banks are kept as collateral security against term loans.
- 2) Loans in (a) (ii) above are secured by way of hypothecation of Vehicles acquired against the same.

Maturity Profile and Rate of Interest on Loans are set out below:

Particulars	Maturity Profile			
	2018-19	2019-20	2020-21	Total
Term Loans - From Banks	72.00	72.00	44.00	188.00
Interest Rate @ 4.50% above Base Rate (As at 31st March, 2018 @ 4.15% above base rate.)				
Total	72.00	72.00	44.00	188.00

**NOTE - 16**

**BORROWINGS:**

a) Secured Loans:		
Working Capital Loans	2,584.77	4,358.83
	2,584.77	4,358.83
b) Unsecured Loans:		
Temporary Loan from a Related Party	200.00	200.00
	200.00	200.00
	2,784.77	4,558.83



**NOTES TO FINANCIAL STATEMENTS**  
Forming Part of the Balance Sheet as at 31st March, 2019

As at 31st March, 2019	As at 31st March, 2018
(₹ in Lakhs)	(₹ in Lakhs)

**Notes:**

- 1) Working Capital Facilities of Rs. 6050 Lakhs (As at 31st March 2018 Rs. 6050 Lakhs) are secured by way of hypothecation of, both present and future, inventories and book debts as well as by way of first pari passu mortgage created on some immovable properties at Kolhapur and second pari passu charge created on immovable properties of the company situated at MIDC, Gokul Shirgaon, Kolhapur and other movable assets both present and future. The above working Capital facilities carries interest @ 9.60% p.a. to 14.20% p.a. (As at 31st March, 2018 - 9.45% p.a. to 16.05% p. a.)
- 2) Unsecured loan from a related party carries interest at 13% p.a. and repayable on demand (As at 31st March, 2018 - 13% p.a.)

**NOTE - 17  
TRADE PAYABLES**

- a) Due to Micro, Small and Medium Enterprises  
b) Due to Others

32.80	28.02
<b>1,871.09</b>	<b>3,022.37</b>
<b>1,903.89</b>	<b>3,050.39</b>

Refer Note No. 32.10 for disclosure under Micro, Small and Medium Enterprise Development Act.

**NOTE - 18  
OTHER FINANCIAL LIABILITIES**

- a) Current Maturities of Long-Term Debt  
(Refer Note No. 15)
- b) Unpaid Dividend\*
- c) Interest accrued on loans
- d) Payable towards Capital Expenditure
- e) Security Deposit Received
- f) Temporary book overdraft
- g) Finance cost in respect of Non Cumulative Preference Shares\*\*

72.00	78.02
1.37	1.37
76.98	46.82
0.80	0.75
30.31	34.41
89.66	-
69.53	39.53
<b>340.65</b>	<b>200.90</b>

\* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

\*\* Refer Note No. 13(b)

**NOTE - 19  
OTHER CURRENT LIABILITIES**

- a) Advance received from Customers  
b) Statutory Dues Payable

1,548.55	1,167.38
126.03	54.48
<b>1,674.58</b>	<b>1,221.86</b>

**NOTE - 20  
PROVISIONS**

- Provision for Employee Benefits:
- (i) Compensated absences
- (ii) Gratuity

101.01	97.28
256.87	209.60
<b>357.88</b>	<b>306.88</b>



## NOTES TO FINANCIAL STATEMENTS

Forming Part of the Statement of Profit and Loss for the year ended 31st March, 2019

	For the year ended 31st March, 2019 (₹ in Lakhs)	For the year ended 31st March, 2018 (₹ in Lakhs)
<b>NOTE - 21</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
a) Manufactured Goods	13,330.36	19,364.29
Less: Excise Duty on Domestic Sales	-	0.17
	<u>13,330.36</u>	<u>19,364.12</u>
b) Traded Goods	6,081.22	5,516.03
	<u>19,411.58</u>	<u>24,880.15</u>
<b>Sale of Services</b>		
Job Work Processing Charges	94.45	8.66
<b>Other Operating Revenue</b>		
a) Export Incentives	159.14	219.02
b) Sale of Scrap	9.53	14.10
c) Others	0.35	83.29
	<u>169.02</u>	<u>316.41</u>
Less: Excise duty on Scrap Sales	-	0.06
	<u>169.02</u>	<u>316.35</u>
<b>Revenue from Operations</b>	<u><u>19,675.05</u></u>	<u><u>25,205.16</u></u>
<b>Manufactured Goods:</b>		
Yarn	11,865.33	16,735.75
Knitted Fabric	75.90	452.96
Cotton waste	1,389.13	2,175.58
<b>Total Manufactured Goods</b>	<u>13,330.36</u>	<u>19,364.29</u>
<b>Traded Goods:</b>		
Yarn	6,015.20	5,516.03
Cotton waste comber noil	66.02	-
<b>Total Traded goods</b>	<u>6,081.22</u>	<u>5,516.03</u>
<b>NOTE - 22</b>		
<b>OTHER INCOME</b>		
a) Dividend Income on non current Investments	55.38	47.47
b) Rent Received / Lease Charges Received	71.09	61.41
c) Provisions no longer required written back	1.56	1.79
d) Miscellaneous Income	11.51	3.05
e) Profit on Disposal of Property, Plant & Equipment	0.33	-
	<u>139.87</u>	<u>113.72</u>

## NOTES TO FINANCIAL STATEMENTS

Forming Part of the Statement of Profit and Loss for the year ended 31st March, 2019

	For the year ended 31st March, 2019 (₹ in Lakhs)	For the year ended 31st March, 2018 (₹ in Lakhs)
<b>NOTE - 23</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw Materials Consumed		
Opening Stock	3,224.63	3,239.37
Add: Purchases	6,743.40	13,005.49
	<u>9,968.03</u>	<u>16,244.86</u>
Less: Sales	45.02	51.01
Less: Closing Stock	930.35	3,224.63
	<u>8,992.66</u>	<u>12,969.22</u>
Raw Materials:		
a) Cotton	8,457.00	12,753.83
b) Yarn	535.66	215.39
	<u>8,992.66</u>	<u>12,969.22</u>
<b>NOTE - 24</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>		
a) Yarn	5,584.73	5,108.70
b) Cotton Comber Noil	60.61	-
	<u>5,645.34</u>	<u>5,108.70</u>
<b>NOTE - 25</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Balances		
a) Finished Goods	1,535.82	2,055.10
b) Work-in-Progress	404.77	386.77
c) Waste	77.98	215.11
	<u>2,018.57</u>	<u>2,656.98</u>
Less: Closing Balances		
a) Finished Goods	2,047.02	1,535.82
b) Work-in-Progress	105.73	404.77
c) Waste	15.46	77.98
	<u>2,168.21</u>	<u>2,018.57</u>
	<u>(149.64)</u>	<u>638.41</u>
<b>NOTE - 26</b>		
<b>EMPLOYEES BENEFITS EXPENSE</b>		
a) Salary and Wages	1,762.65	2,056.31
b) Contribution to Provident and other Funds	241.66	258.33
c) Staff Welfare Expenses	36.42	35.89
	<u>2,040.73</u>	<u>2,350.53</u>



## NOTES TO FINANCIAL STATEMENTS

Forming Part of the Statement of Profit and Loss for the year ended 31st March, 2019

	For the year ended 31st March, 2019 (₹ in Lakhs)	For the year ended 31st March, 2018 (₹ in Lakhs)
<b>NOTE - 27</b>		
<b>POWER AND FUEL</b>		
POWER:		
Electricity duty on CPP	0.42	0.10
Electricity Charges	1,868.11	2,482.98
FUEL:		
Opening Stock of Fuel	15.57	18.46
Add: Purchases of Fuel	3.20	2.93
	<u>18.77</u>	<u>21.39</u>
Less: Sales	15.97	-
Less: Closing Stock of Fuel	2.80	15.57
Fuel Consumed	<u>-</u>	<u>5.82</u>
	<u><u>1,868.53</u></u>	<u><u>2,488.90</u></u>
<b>NOTE - 28</b>		
<b>FINANCE COSTS</b>		
a) Interest Expense:		
- Term Loans	76.76	36.59
- Working Capital Loans	456.78	459.48
- Export Bills Discounted	51.48	71.24
- Suppliers	64.33	121.81
	<u>649.35</u>	<u>689.12</u>
Less: Interest Received	(30.17)	(31.32)
	<u>619.18</u>	<u>657.80</u>
b) Other Borrowing Costs	29.96	32.02
c) Finance cost in respect of non cumulative preference shares	30.00	30.00
	<u>679.14</u>	<u>719.82</u>
<b>NOTE - 29</b>		
<b>OTHER EXPENSES</b>		
Stores and Spares Consumed	208.61	314.19
Packing Materials Consumed	176.06	256.14
Rent	20.27	16.33
Insurance	63.43	67.06
Rates and Taxes (Other than taxes on Income)	14.76	14.75
Repairs and maintenance:		
Plant and Machinery	59.96	53.57
Buildings	35.59	46.66
Others	8.10	12.54
Travelling and Conveyance	72.75	70.01
Communication Charges	15.37	19.05
Brokerage and Commission on Sales	277.68	242.29
Freight and Forwarding	493.63	630.03
Bank Charges	56.53	58.94
Directors' Sitting Fees	3.43	3.30
Legal and Other Professional Charges	68.97	73.95
Foreign Exchange Loss	21.96	6.59
Auditors Remuneration (Refer Note No. 32.7)	3.81	4.25
Miscellaneous Expenses	475.35	283.35
	<u>2,076.26</u>	<u>2,173.00</u>

## **NOTES**

**Forming Part of the Financial Statements for the year ended 31st March, 2019**

### **NOTE - 30**

#### **CORPORATE INFORMATION:**

Eurotex Industries And Exports Limited ('The Company') is a public limited company domiciled in India. Its shares are listed on BSE Limited (Bombay Stock Exchange) and NSE Limited (National Stock Exchange). The Company is primarily engaged in the business of manufacturing of cotton yarn & knitted fabric.

### **NOTE - 31**

#### **SIGNIFICANT ACCOUNTING POLICIES:**

##### **1. Basis of Preparation of Financial Statements:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other related provisions of the Act.

The figures for the previous year ended March 31, 2018 and opening Balance Sheet as on April 1, 2016 have also been reinstated by the management as per the requirements of Ind AS. These financial statements are the first financial statements of the Company under Ind AS. Refer Note 44 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and Cash Flows. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Certain financial assets and liabilities are measured at Fair Value (Refer Note No. 31.6)
- (ii) Defined benefit employee plan (Refer Note No. 31.12)

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

##### **2. Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### **Critical accounting judgements and key source of estimation uncertainty:**

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

- (a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Refer Note No 33.
- (b) Estimation of current tax expenses and payable - Refer Note No 34.

##### **3. Property, Plant and Equipment (PPE):**

Property, Plant and Equipment (PPE) are capitalized on the day they are ready for use and are stated at cost less accumulated depreciation. The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence, regarded thereafter as historical cost.



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 31 (contd.)

#### SIGNIFICANT ACCOUNTING POLICIES

Freehold land is carried at cost and is not depreciated. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its ready intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Assets which are not ready for their intended use are disclosed under Capital Work-in-Progress.

#### 4. Intangible Assets:

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

#### 5. Depreciation and Amortization:

##### (a) Property, Plant and Equipment (PPE):

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II of the Act.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

##### (b) Intangible Assets:

Software is amortized over a period of 3 years

#### 6. Financial Instruments:

##### Financial Assets - Initial Recognition:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the Statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

##### Subsequent Measurement:

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

##### (i) Measured at Amortised Cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **NOTES**

**Forming Part of the Financial Statements for the year ended 31st March, 2019**

### **NOTE - 31 (contd.)**

#### **SIGNIFICANT ACCOUNTING POLICIES**

**(ii) Measured at Fair Value through Other Comprehensive Income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(iii) Measured at Fair Value through Profit or Loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Impairment:**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For financial assets measured at FVTPL, there is no requirement of impairment testing.

**Derecognition:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Financial Liabilities:**

**Initial Recognition and Measurement:**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 31 (contd.)

#### SIGNIFICANT ACCOUNTING POLICIES

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

##### **Subsequent Measurement:**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

##### **Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

##### **Financial Guarantee Contracts:**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

##### **De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

##### **Derivative Financial Instruments:**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

##### **Offsetting of Financial Instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 7. Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 31 (contd.)

#### SIGNIFICANT ACCOUNTING POLICIES

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

#### 8. Inventory:

Inventories includes Raw Material, Work-in-Progress, Finished Goods, Stores & Spares, Packing Materials and are valued at the lower of the cost and net realisable value.

##### Raw Materials and Packing Materials:

Raw Materials - Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials is determined on specific identification basis. Cost of stores, spares, packing materials and fuel is determined on weighted average basis.

##### Work-in-Progress and Finished Goods:

Cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.

##### Traded Goods:

Stock in trade are valued at lower of cost and net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Adequate allowance is made for obsolete and slow moving items.

#### 9. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

#### 10. Foreign Currency Transactions:

##### a) Initial Recognition:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

##### b) Measurement of Foreign Currency Items at the Balance Sheet Date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

#### 11. Sale of Goods:

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

##### Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

##### Dividend:

Dividend Income is recognized when right to receive the same is established.

## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 31 (contd.)

#### SIGNIFICANT ACCOUNTING POLICIES

#### 12. Employee Benefits:

The Company has provided following post-employment plans:

- (a) Defined benefit plans such a gratuity and
- (b) Defined contribution plans such as Provident fund and Superannuation fund

##### a) Defined benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the Statement of the Profit & Loss.

Re-measurement comprising of actuarial gains and losses arising from:

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in other comprehensive income. Re-measurement are not reclassified to Profit or Loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

##### b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the Employees' Provident Fund with the Government, Superannuation Fund and certain state plans. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

##### c) Other employee benefits:

- (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance Sheet date determined based on an actuarial valuation.
- (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

#### 13. Taxes on Income:

Income tax comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary

## NOTES

### Forming Part of the Financial Statements for the year ended 31st March, 2019

#### NOTE - 31 (contd.)

#### SIGNIFICANT ACCOUNTING POLICIES

differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

#### 14. Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 15. Earnings Per Share:

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### 16. Leases:

##### Where the Company is Lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

##### Where the Company is Lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

#### 17. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 32

#### OTHER NOTES TO FINANCIAL STATEMENTS

	As at 31st March, 2019	As at 31st March, 2018
	₹ in Lakhs	₹ in Lakhs
<b>32.1 Contingent Liabilities:</b>		
a) Amount outstanding in respect of Bills discounted under Export Letter of Credit (Since realised Rs.118.10 Lakhs; as at 31st March, 2018 - Rs. 483.08 Lakhs)	230.63	483.08
b) Disputed Statutory claims / levies, including those pending in court and other claims not acknowledged as debts (Excluding interest where not ascertained /demanded) in respect of:		
(i) M.Vat	382.88	472.08
(ii) Customs Duty	131.08	131.08
<p>The Company's pending litigations comprise of claims against the company and proceedings pending with tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.</p>		
<b>32.2 Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of Rs.20.20 Lakhs; As at 31st March, 2018 - Rs.20.20 Lakhs)	181.79	181.79
<b>32.3</b>		
a) The Company's case in the matter of Electricity Charges wrongly claimed by Maharashtra State Electricity Distribution Company Ltd.( MSEDCL ) from November, 1998 to June, 2008 has been decided in favour of the Company by Maharashtra Electricity Regulatory Commission (MERC) and Appellate Tribunal, New Delhi. However, MSEDCL has filed an appeal before the Supreme Court which is pending.		
b) Similarly the High Court of Mumbai has in the matter of electricity duty on Captive Power Generation has decided in Company's favour and the Government has filed an appeal before the Supreme Court which is pending.		
c) The Management foresees only a remote possibility of an outflow of / adjustments to the resources embodying economic benefits, in view of the expert legal opinion in the aforesaid matters obtained by the Company.		
<b>32.4</b>		
a) In the opinion of Board, the assets other than Property, Plant and Equipment and Non-Current Investments have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and other known liabilities is adequate and not in excess of what is required.		
b) Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.		

## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 32 (Contd.)

#### 32.5 Related Party disclosures pursuant to Ind AS 24:

##### 1. NAME OF THE PARTIES:

- (i) Key Management Personnel  
Shri Krishan Kumar Patodia (Chairman and Managing Director)  
Shri Narayan Patodia (Managing Director)  
Shri Rajiv Patodia (Executive Director & CFO)  
Shri Rahul Rawat (Company Secretary)
- (ii) Other Related Parties (Associates), where transactions have taken place during the year :
- PBM Polytex Limited  
Patodia Syntex Limited  
Murarilal Mahendra Kumar  
Paramount Cotton Company  
Star Silk Exports Pvt. Ltd.

##### 2. TRANSACTIONS WITH RELATED PARTIES:

Sr. No.	NAME OF THE PARTIES	For the year ended 31st March, 2019	For the year ended 31st March, 2018
		₹ in Lakhs	₹ in Lakhs
<b>I.</b>	<b>REMUNERATION PAID TO KEY MANAGEMENT PERSONNEL</b>		
	Shri Krishan Kumar Patodia	63.32	52.38
	Shri Narayan Patodia	23.47	26.78
	Shri Rajiv Patodia	22.35	23.28
	Shri Rahul Rawat	7.45	7.05
<b>II.</b>	<b>OTHER RELATED PARTIES (ASSOCIATES)</b>		
	<b>PURCHASE OF GOODS &amp; MATERIAL</b>		
	PBM Polytex Ltd.	117.14	0.05
	<b>PURCHASE OF PROPERTY, PLANT &amp; EQUIPMENT</b>		
	Patodia Syntex Ltd.	3.13	-
	<b>SALE OF GOODS AND MATERIAL</b>		
	PBM Polytex Ltd.	0.69	0.03
	Patodia Syntex Ltd.	-	0.17
	<b>DIVIDEND INCOME ON SHARES</b>		
	PBM Polytex Ltd.	55.38	47.47
	<b>RENT RECEIVED</b>		
	PBM Polytex Ltd.	1.80	1.80
	<b>RENT PAID</b>		
	Patodia Syntex Ltd.	3.36	3.36
	Murarilal Mahendra Kumar	0.90	0.90
	<b>INTEREST ON SHORT TERM UNSECURED LOAN</b>		
	Patodia Syntex Ltd.	26.00	26.00
	<b>CHARGES FOR USE OF OFFICE PREMISES (RENT)</b>		
	Murarilal Mahendra Kumar	3.90	3.90
	Paramount Cotton Company	3.00	3.00
	<b>REIMBURSEMENT OF ELECTRICITY &amp; OFFICE MAINTENANCE EXPENSES</b>		
	Murarilal Mahendra Kumar	6.05	6.14
	Paramount Cotton Company	1.39	1.35
	Patodia Syntex Ltd.	-	1.01
	<b>PRESSING CHARGES PAID</b>		
	Patodia Syntex Ltd.	30.20	46.53
	<b>INTEREST PROVIDED</b>		
	PBM Polytex Ltd.	27.96	30.00
	Star Silk Exports Pvt. Ltd.	2.04	-



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

	As at 31st March, 2019	As at 31st March, 2018
NOTE - 32 (Contd.)	₹ in Lakhs	₹ in Lakhs
<b>CLOSING BALANCES OF RELATED PARTIES</b>		
<b>PAYABLE</b>		
PBM Polytex Ltd.	117.14	0.03
Patodia Syntex Ltd.	3.41	4.49
Patodia Syntex Ltd. (Promoter's Contribution)	3.00	3.00
Patodia Syntex Ltd. (Temporary Unsecured Loan Including Interest)	258.85	235.45
<b>RECEIVABLE</b>		
PBM Polytex Ltd.	0.69	0.02
<b>INVESTMENT</b>		
PBM Polytex Ltd.	1,244.52	1,314.14
<b>6% NON CUMULATIVE NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES</b>		
PBM Polytex Ltd.	460.00	500.00
Star Silk Exports Pvt. Ltd.	40.00	-
Note :		
1.	Related party relationship is as identified by the Company and relied upon by the Auditors.	
2.	No amounts in respect of related parties have been written off / written back during the year, nor any provision has been made for doubtful debts/ receivables.	
3.	All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.	
4.	Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.	
32.6	The Company's Board of Directors consisting of Managing Director together with the Chief Financial Officer has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators. The Company operates primarily only in one business segment Viz. Cotton yarn and has its production facilities and all other assets located in India. Sales comprises Exports Sales of Rs.12,969.75 Lakhs (Previous year Rs 13,361.14 Lakhs) and Domestic Sales of Rs.6,441.83 Lakhs (Previous year Rs.11,519.01 Lakhs).	
<b>32.7</b>	<b>Auditors' Remuneration (Excluding Tax):</b>	
	Audit Fees	3.00
	Limited Review	0.75
	Out of Pocket Expenses	0.06
<b>32.8</b>	<b>Earnings per Share (EPS) is calculated as under:</b>	
	<b>Basic and Diluted EPS after Taxation</b>	
	Net Profit after taxation as disclosed in the Statement of Profit and Loss	(1,707.38)
	Weighted average number of equity shares outstanding during the year	87,49,865
	Earnings per Share (EPS) (Rs.)	(19.51)
	Nominal value per equity share (Rs.)	10

## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 32 (Contd.)

32.9 Post the applicability of the Goods and Service Tax (GST) with effect from 1st July, 2017, revenue from operations are disclosed net of GST, whereas Excise Duty formed part of expenses in previous year. Accordingly, the revenue from operations and expenses for the year are not comparable with the previous year.

#### 32.10 Disclosure under MSMED Act, 2006:

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sr. No.	Particulars	As at	As at
		31st March, 2019	31st March, 2018
		₹ in Lakhs	₹ in Lakhs
(a)	Principal amount outstanding	32.80	28.02
(b)	Principal amount due and remaining unpaid	-	-
(c)	Interest due on (2) above and the unpaid interest	-	-
(d)	Interest paid on all delayed payments under the MSMED Act	-	-
(e)	Payment made beyond the appointed day during the year	-	-
(f)	Interest due and payable for the period of delay other than (4) above	-	-
(g)	Interest accrued and remaining unpaid	-	-
(h)	Amount of further interest remaining due and payable in succeeding years	-	-

The Company has compiled the above information based on verbal / written confirmations from suppliers.

### NOTE - 33

#### DISCLOSURE PURSUANT TO IND AS-19

##### “EMPLOYEE BENEFITS”

i) **Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan (“The Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Aditya Birla Sunlife Insurance Company Limited under Group Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

(₹ in Lakhs)

#### A. Balance Sheet:

##### Defined benefit plans

	As at	As at
	31st March, 2019	31st March, 2018
	₹ in Lakhs	₹ in Lakhs
Present value of plan liabilities	965.34	907.82
Fair value of plan assets	708.47	698.22
<b>Asset/(Liability) recognised</b>	<b>256.87</b>	<b>209.60</b>



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

NOTE - 33 (contd.)

### SIGNIFICANT ACCOUNTING POLICIES

#### B. Movements in Plan Assets and Plan Liabilities:

	Present value of obligations	(₹ in Lakhs) Fair Value of Plan assets
<b>As at 1st April 2018</b>	<b>907.82</b>	698.22
Current service cost	60.57	-
Past service cost	-	-
Interest Cost	64.63	-
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excluding amounts included in net finance income/cost	-	4.26
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(29.23)	-
Actuarial (gain)/loss arising from experience adjustments	6.40	49.39
Employer contributions	-	1.45
Benefit payments	(44.85)	(44.85)
<b>As at 31st March 2019</b>	<b>965.34</b>	<b>708.47</b>
<b>As at 1st April 2017</b>	<b>845.57</b>	676.17
Current service cost	56.98	-
Past service cost	-	-
Interest Cost	61.58	-
Adjustment to opening fair value of plan asset	-	1.45
Return on plan assets excluding amounts included in net finance income/cost	-	(2.82)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	9.36	-
Actuarial (gain)/loss arising from experience adjustments	(38.94)	50.15
Employer contributions	-	-
Benefit payments	(26.73)	(26.73)
<b>As at 31st March 2018</b>	<b>907.82</b>	<b>698.22</b>

#### C. Statement of Profit and Loss:

	As at 31st March, 2019	(₹ in Lakhs) As at 31st March, 2018
<b>Employee Benefit Expenses:</b>		
Current service cost	60.56	56.98
Adjustments to Opening Fair Value of plan asset	(1.45)	(1.45)
Interest cost/(income)	15.25	11.44
<b>Total amount recognised in Statement of profit &amp; loss</b>	<b>74.36</b>	<b>66.97</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	(4.26)	2.82
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	(29.23)	9.36
Experience gains/(losses)	6.40	(38.94)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(27.09)</b>	<b>(26.76)</b>

## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 33 (contd.)

#### SIGNIFICANT ACCOUNTING POLICIES

##### D. Assumptions:

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	(₹ in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Financial Assumptions</b>		
Discount rate	7.60%	7.30%
Salary Escalation Rate:		
Management Employees	5.00%	5.00%
Non-management Employees	5.00%	5.00%
<b>Demographic Assumptions</b>		
Mortality in Service: Indian Assured Lives Mortality (2006-08)		
Mortality Rate		
Attrition Rate	45 & Above 1%	45 & Above 1%
Retirement Age	60 & 70 Years	60 & 70 Years
Adjusted Average Future Services	12.92	13.60

##### E. Sensitivity:

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	(₹ in Lakhs)		
	<b>Impact on defined benefit obligation</b>		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount Rate	1.00%	876.57	1,068.00
Salary Escalation Rate	1.00%	1,068.63	874.65

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumptions.

##### F. The defined benefit obligations shall mature after year end 31st March, 2019 as follows:

Year ending 31st March, 2019	(₹ in Lakhs)
	<b>Defined Benefit Obligation</b>
2020	79.36
2021	30.03
2022	28.77
2023	57.43
2024	43.68
Thereafter	383.73

ii) **Compensated Absences:** The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The disclosure in respect of the defined Compensated Absences are given below:

	(₹ in Lakhs)	
Particulars	As at 31st March, 2019	As at 31st March, 2018
Expenses recognised in Statement of Profit and Loss	20.85	41.06
Balance Sheet Liability	101.01	97.28

## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 34 INCOME TAXES

(a) Tax Expense recognised in the Statement of Profit and Loss:

	<u>Year ended</u> <u>31st March, 2019</u>	<u>Year ended</u> <u>31st March, 2018</u>
(₹ in Lakhs)		
<b>Current Tax</b>		
Current year	-	-
Adjustments for prior periods	(2.47)	(10.76)
<b>Total Current Tax</b>	<u>(2.47)</u>	<u>(10.76)</u>
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary difference	(18.91)	(100.21)
<b>Total Deferred Income Tax Expense / (Credit)</b>	<u>(18.91)</u>	<u>(100.21)</u>
<b>Total Income Tax Expense / (Credit)</b>	<u>(21.38)</u>	<u>(110.97)</u>

The current tax has not been provided as the company has been incurring losses as per tax

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

(b) Reconciliation of Effective Tax Rate

Profit / (Loss) before Taxation	(1,728.76)	(1,528.16)
Enacted Income Tax rate in India	31.20%	30.90%
Tax at the enacted Income Tax rate	(539.37)	(472.20)
Effect of:		
Non recognition of deferred tax on unabsorbed depreciation, brought forward losses and other timing differences*	517.99	361.23
<b>Tax Expense / (Credit)</b>	<u>(21.38)</u>	<u>(110.97)</u>

	<u>As at</u> <u>31st March, 2019</u>	<u>As at</u> <u>31st March, 2018</u>
(₹ in Lakhs)		
Unrecognised Tax Losses	<u>1,352.00</u>	<u>1,224.82</u>

\*Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company

c) The movement in Deferred Tax Assets and Liabilities during the year ended 31st March, 2018 and 31st March, 2019:

	<u>As at</u> <u>1st April,</u> <u>2017</u>	<u>Credit/(Charge)</u> <u>in Statement of</u> <u>Profit and</u> <u>Loss</u>	<u>As at</u> <u>31st March,</u> <u>2018</u>	<u>Credit/(Charge)</u> <u>in Statement of</u> <u>Profit and</u> <u>Loss</u>	<u>As at</u> <u>31st March,</u> <u>2019</u>
Deferred Tax Assets / (Liabilities)					
Property, Plant and Equipment	(1,338.88)	61.54	(1,277.34)	5.90	(1,271.44)
Expenses allowed on payment basis	119.17	29.41	148.58	3.54	152.12
Fair valuation gains / (losses)	(179.13)	12.48	(166.65)	14.90	(151.75)
	<u>(1,398.84)</u>	<u>103.44</u>	<u>(1,295.41)</u>	<u>24.34</u>	<u>(1,271.07)</u>

## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 35

#### FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amounts and fair values of financial instruments by category are as follows:**

	FVOCI	FVTPL	Amortised Cost	Total Fair Value	(₹ in Lakhs) Carrying Amount
<b>31st March, 2018</b>					
<b>Financial Assets</b>					
Investments	1,321.89	-	-	1,321.89	1,321.89
Deposits	-	-	368.03	368.03	368.03
Trade receivables	-	-	1,082.22	1,082.22	1,082.22
Cash and cash equivalents	-	-	142.85	142.85	142.85
Others financial assets	-	-	24.38	24.38	24.38
<b>Total Financial Assets</b>	<b>1,321.89</b>	<b>-</b>	<b>1,617.48</b>	<b>2,939.37</b>	<b>2,939.37</b>
<b>Financial Liabilities</b>					
Borrowings (including current maturity of long term debt)	-	-	5,256.50	5,256.50	5,256.50
Trade payables	-	-	3,050.39	3,050.39	3,050.39
Others financial liabilities	-	-	122.88	122.88	122.88
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>8,429.77</b>	<b>8,429.77</b>	<b>8,429.77</b>



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 35 (contd.)

#### FINANCIAL INSTRUMENTS

	FVOCI	FVTPL	Amortised Cost	Total Fair Value	(₹ in Lakhs) Carrying Amount
<b>31st March, 2019</b>					
<b>Financial Assets</b>					
Investments	1,249.52	-	-	1,249.52	1,249.52
Deposits	-	-	124.24	124.24	124.24
Trade receivables	-	-	165.50	165.50	165.50
Cash and cash equivalents	-	-	16.95	16.95	16.95
Others financial assets	-	-	21.94	21.94	21.94
<b>Total Financial Assets</b>	<b>1,249.52</b>	<b>-</b>	<b>328.63</b>	<b>1,578.15</b>	<b>1,578.15</b>
<b>Financial Liabilities</b>					
Borrowings (including current maturity of long term debt)	-	-	3,403.77	3,403.77	3,403.77
Trade payables	-	-	1,903.89	1,903.89	1,903.89
Others financial liabilities	-	-	268.65	268.65	268.65
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>5,576.31</b>	<b>5,576.31</b>	<b>5,576.31</b>

#### Fair Value Estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	(Rs. in Lakhs) Level 3
<b>31st March, 2018</b>			
Assets at fair value	1,321.89	-	-
Liabilities at fair value	-	-	-
<b>31st March, 2019</b>			
Assets at fair value	5.00	-	-
Liabilities at fair value	-	-	-

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the years.

## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 36

#### FINANCIAL RISK FACTORS

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities exposes it to Liquidity Risk, Market Risk and Credit Risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below:

#### (a) Liquidity Risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

#### (i) Financing Arrangements:

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

	As at 31st March, 2019	As at 31st March, 2018
	₹ in Lakhs	₹ in Lakhs
<b>Secured working capital credit facility from Banks</b>	<b>3,465.23</b>	1,691.17

#### (ii) The following is the contractual maturities of the financial liabilities:

	Carrying Amount	1 - 12 Months	More than 12 Months
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>As at 31st March, 2018</b>			
<b>Non-derivative Liabilities</b>			
Borrowings (Including current maturity of Long term debt)	5,256.49	4,636.85	619.64
Trade Payables	3,050.39	3,050.39	-
Other Financial Liabilities	122.88	122.88	-
<b>As at 31st March, 2019</b>			
<b>Non-derivative Liabilities</b>			
Borrowings (Including current maturity of Long term debt)	3,403.77	2,856.77	547.00
Trade Payables	1,903.89	1,903.89	-
Other Financial Liabilities	268.65	268.65	-



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 36 (contd.)

#### FINANCIAL RISK FACTORS

##### (b) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

##### (i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies. The Company is not significantly exposed to foreign currency risk due to thier limited transaction in the foreign currency.

Foreign Currency Exposure	As at 31st March, 2019		As at 31st March, 2018	
	In Foreign Currency	₹ in Lakhs	In Foreign Currency	₹ in Lakhs
<b>Receivable</b>				
In USD	66,214.00	45.75	8,59,360.62	558.28
<b>Payable</b>				
In USD	14,98,203.00	1,036.31	24,65,629.00	1,603.77
	<b>31st March, 2019</b>		<b>31st March, 2018</b>	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Increase / Decrease in loss	9.91	(9.91)	10.45	(10.45)

##### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's long term borrowings have fixed rate of interest and are carried at amortised costs. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rate are disclosed in the respective notes to the financial statement of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

	As at 31st March, 2019 ₹ in Lakhs	As at 31st March, 2018 ₹ in Lakhs
Borrowings bearing fixed rate of interest	816.00	894.66
Borrowings bearing variable rate of interest	2,584.77	4,358.83
	<b>3,400.77</b>	<b>5,253.49</b>

##### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Increase in basis points (%)	0.50	0.50
Effect on profit before tax	18.00	26.27
Decrease in basis points (%)	0.50	0.50
Effect on profit before tax	18.00	26.27



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 36 (contd.)

#### FINANCIAL RISK FACTORS

##### (c) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.

To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

##### Trade and other receivables

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 30-90 days.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- (iv) Significant increase in credit risk on other financial instruments of same counterparty.

##### Ageing of the accounts receivables

	As at 31st March, 2019	As at 31st March, 2018
	₹ in Lakhs	₹ in Lakhs
0-3 months	165.48	1,080.45
3-6 months	0.02	1.77
	165.50	1,082.22

The average credit period for domestic debtors ranges within 0-30 days and for export debtors ranges within 10-90 days.

### NOTE 37

#### CAPITAL RISK MANAGEMENT

##### (a) Capital Risk Management:

The Company's objectives when managing capital are to:

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders etc.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

### NOTE - 37 (contd.)

#### CAPITAL RISK MANAGEMENT

	As at 31st March, 2019	As at 31st March, 2018
	₹ in Lakhs	₹ in Lakhs
Total equity attributable to equity shareholders of the Company	2,412.46	4,159.69
Net debt (Total borrowings less cash and cash equivalents)	3,480.75	5,303.30
<b>Total Capital (Borrowings and Equity)</b>	<b>5,893.21</b>	<b>9,462.99</b>
<b>Gearing ratio</b>	<b>0.59</b>	<b>0.56</b>

#### (b) Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

##### First charge

Property, plant and equipment\*

Immovable	2,376.35	2,506.45
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Movable	3,372.51	3,624.26
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##### Second charge

Trade receivables	165.50	1,082.22
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Inventories	3,302.45	5,484.98
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\*Represents net book value.

#### (c) Dividends

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy. The Company has not proposed/declared dividend for current financial year as well as in the previous financial year.

#### (d) Net debt reconciliation

Non-current borrowings (including current maturities)	619.00	697.66
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Current borrowings	2,784.77	4,558.83
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Interest payable/ (receivable)	76.98	46.82
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<b>Net Debt</b>	<b>3,480.75</b>	<b>5,303.30</b>
-----------------	-----------------	-----------------

	Non-current Borrowings	Current Borrowings	Interest Payable/ (Receivable)	Total
Net debt as at 1st April, 2018	697.66	4,558.83	46.82	5,303.30
Cash flows	(78.66)	(1,774.06)	30.00	(1,822.72)
Finance costs	-	679.31	679.31	-
Interests paid	-	-	(679.14)	(679.14)
<b>Net debts as at 31st March, 2019</b>	<b>619.00</b>	<b>2,784.77</b>	<b>76.98</b>	<b>3,480.75</b>

## **NOTES**

### **Forming Part of the Financial Statements for the year ended 31st March, 2019**

#### **NOTE - 38**

##### **RECENT ACCOUNTING PRONOUNCEMENTS:**

###### **a) Ind AS 116 - Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is currently evaluating the effect of this amendment on the standalone financial statements. Hence, the effect due to this amendment would be insignificant in the financial statements.

###### **b) Amendment to Ind AS 12 - Income Taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements. Hence, the effect due to this amendment would be insignificant in the financial statements.

###### **c) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.



## NOTES

Forming Part of the Financial Statements for the year ended 31st March, 2019

NOTE - 38 (contd.)

### RECENT ACCOUNTING PRONOUNCEMENTS:

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements. The effect due to this amendment would be insignificant in the financial statements.

#### d) Amendment to Ind AS 19 - Plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements. The Company does not have any impact on account of this amendment.

#### NOTE - 39

The Company is developing land at Uchagaon, Kolhapur bearing R.S.No.364/2, R.S.No.363/2A (Old R.S. No 363/2) and R.S.No.365/B1 (Old R.S. No.365/B) at Euro Palace, Uchagaon, Kolhapur, admeasuring about 2300 Sq.Mtrs, 800 Sq.Mtrs. and 710 Sq.Mtrs. respectively. The Company has passed resolution at Board meeting held on 8th November, 2014 and 12th August, 2017 respectively to enter into Development Agreement with M/s Randive Builders & Developers and give necessary Power of Attorney for above specified land parcels to them. The development agreement has been executed on 20th December, 2014 & 14th March, 2018 respectively. Accordingly, land parcels of 3810 Sq. Mtrs. have been converted into Stock-in-Trade from Property, Plant and Equipment at acquisition price of Rs 23.48 lakhs in August, 2014 and Rs.21.73 lakhs in September, 2017 respectively. The construction activity is going on and project is likely to be completed by September, 2019.

#### NOTE - 40

Performance for the year have been adversely affected mainly due to unfair and illegal activities and a strike started by workers from 3rd November, 2018 in Plant E-23(Mill). The Spinning Mill restarted from 9th February, 2019 after getting prescribed consent letters of good conduct from all the workers as directed by Hon'ble Industrial Court. However, the Mill has come to a grinding halt again in last week of March, 2019 for want of raw material, paucity of working capital and disconnection of power. The management is pursuing the lenders for additional working capital and exploring alternate sources of additional funds needed to resume operations and accordingly, the financial statements have been prepared on a going concern basis.

#### NOTE - 41

The financial statements were approved for issue by the Board of Directors on May 25, 2019.

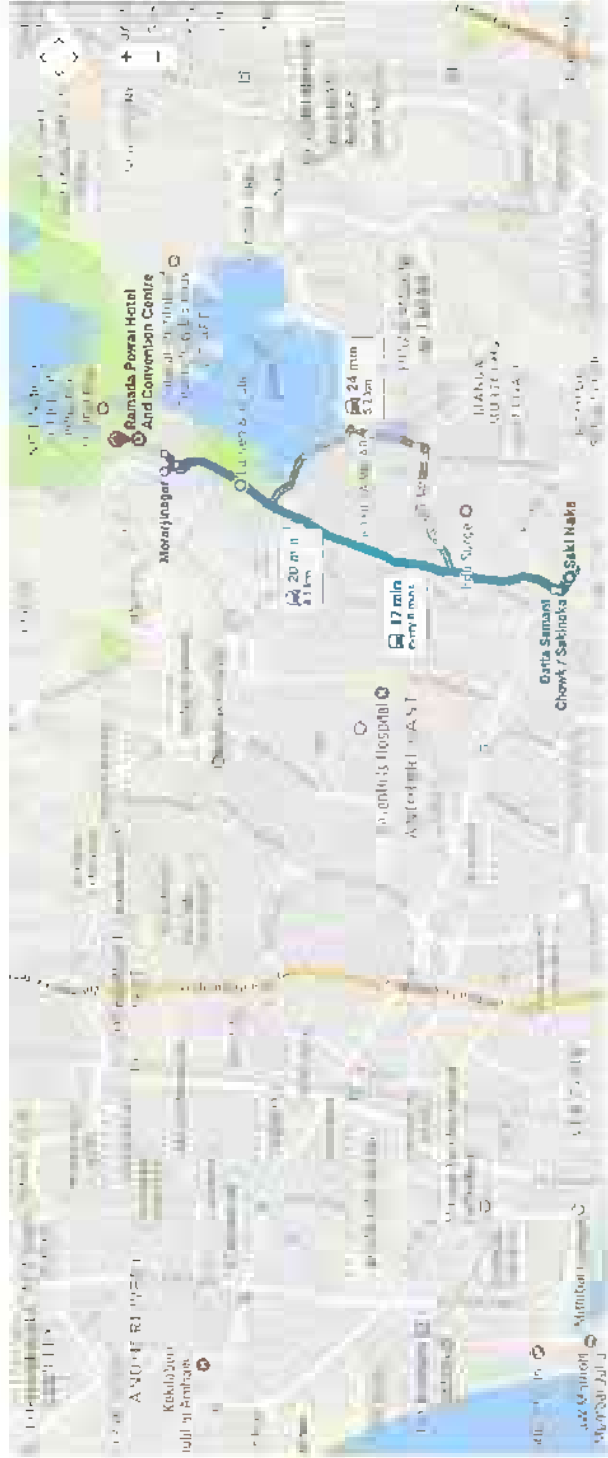
Signatures to Notes '1' to '41'

	<b>K. K. PATODIA</b>	<b>DIN: 00027335</b>	<i>Chairman and Managing Director</i>
	<b>NARAYAN PATODIA</b>	<b>DIN: 00013122</b>	<i>Managing Director</i>
	<b>RAJIV PATODIA</b>	<b>DIN: 00026711</b>	<i>Executive Director &amp; CFO</i>
	<b>H. P. SIOTIA</b>	<b>DIN: 00015103</b>	<i>Director</i>
	<b>V. K. GUPTA</b>	<b>DIN: 00021560</b>	<i>Director</i>
<b>RAHUL RAWAT</b>	<b>M. L. BAGARIA</b>	<b>DIN: 01213323</b>	<i>Director</i>
<i>Company Secretary</i>	<b>P. P. DUNDH</b>	<b>DIN: 00023482</b>	<i>Director</i>

Mumbai, 25th May, 2019

Mumbai, 25th May, 2019

**ROAD MAP TO AGM VENUE :**  
**RAMADA POWAI HOTEL**  
**AND CONVENTION CENTRE**  
**SAKI VIHAR ROAD, BEFORE NITIE, POWAI,**  
**MUMBAI - 400 087.**



# EUROTEX INDUSTRIES AND EXPORTS LIMITED

Registered Office : 1110, Raheja Chambers, 11th Floor, 213, Nariman Point, Mumbai - 400021

Tel : 91 22 6630 1400 Fax : 91 22 2204 4139 E-mail : eurotex@eurotexgroup.com

Website : www.eurotexgroup.com CIN : L70200MH1987PLC042598

## 33RD ANNUAL GENERAL MEETING ATTENDANCE SLIP

DATE	VENUE	TIME
SATURDAY, 28TH SEPTEMBER, 2019	RAMADA POWAI HOTEL & CONVENTION CENTRE SAKI VIHAR ROAD, BEFORE NITIE, POWAI, MUMBAI - 400 087.	9:00 A.M.

Folio No. / Client ID :

DP ID No. :

Name & Address of the  
Member(s)  
(IN BLOCK LETTERS)

I certify that I am a Member / Proxy for the Member holding.....Shares

\_\_\_\_\_  
**Name of the Proxy**  
(IN BLOCK LETTERS)



\_\_\_\_\_  
**Signature of Member / Proxy**

Notes:

1. Shareholder / Proxy are requested to bring the Attendance Slips with them, duly completed when they come to the meeting and deposit at the entry gate of the hall, affixing their signatures on them.
2. Duplicate Admission Slip will not be issued at the venue.

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## 33RD ANNUAL GENERAL MEETING

### PROXY FORM

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name(s) of Member(s) :  
(Including Joint Holders,  
if any (IN BLOCK LETTERS))

Registered Address of the :  
Sole / First Named Member

E-mail ID :

Folio No. / Client ID :

DP ID No. :

I/We, being the member(s) of .....shares of Eurotex Industries and Exports Limited, hereby appoint :

1. Name:.....

Address.....

E-mail ID.....Signature.....,or failing him

2. Name:.....

Address.....

E-mail ID.....Signature.....,or failing him

3. Name:.....

Address.....

E-mail ID.....Signature.....,or failing him





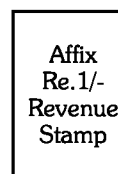
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on the 28th day of September, 2019 at 9:00 a.m. at Ramada Powai Hotel & Convention Centre, Saki Vihar Road, before Nitie, Powai, Mumbai - 400 087 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution Number	Description
<b>Ordinary Business</b>	
1.	Consider and adopt Financial Statements for the financial year ended 31st March, 2019, and the Reports of the Directors and Auditors thereon.
2.	Re-appointment of Director in place of Shri Narayan Prasad (DIN: 00013122) who retires by rotation and offers himself for re-appointment.
<b>Special Business</b>	
3.	To approve the remuneration of M/s. A.G. Anikhindi & Co., Cost Auditor for the financial year ending 31st March, 2020.
4.	To regularise the appointment of Shri Ashwinikumar L. Dave (DIN: 00126187) as an Independent Director of the Company for a Period of 5 (Five) Years.

Signed this ..... day of ..... 2019.

Signature of the Shareholder(s) .....

Signature of the Proxy holder(s) .....



**Notes:**

1. **This form of proxy in order to be effective should be duly completed and deposited at Raheja Chambers, 12th Floor, 213, Nariman Point, Mumbai - 400 021, not less than 48 hours before the commencement of the Meeting i.e. by 9:00 a.m. on 26th September, 2019.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy will stand automatically revoked.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. This form of proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
7. This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
8. Undated proxy form will not be considered valid.
9. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

**BY COURIER**

*If Undelivered, Please Return to:*

**EUROTEX INDUSTRIES AND EXPORTS LTD.**

Bahaja Chambers, 12th Floor,

213, Naraina Point, Mumbai - 400 021.