



# EUROTEX INDUSTRIES AND EXPORTS LIMITED

Registered Office: 1110, Raheja Chambers, 11<sup>th</sup> Floor, 213, Nariman Point, Mumbai – 400 021.

Phone : (022) 6630 1400 E-Mail : [eurotex@eurotexgroup.com](mailto:eurotex@eurotexgroup.com) Website : [www.eurotexgroup.in](http://www.eurotexgroup.in)

CIN : L70200MH1987PLC042598

29<sup>th</sup> August, 2022

1) The Secretary

**Bombay Stock Exchange Limited**  
**1<sup>st</sup> Floor, New Trading Ring,**  
**Rotunda Building, Phiroze Jeejeebhoy Towers,**  
**Dalal Street, Fort, Mumbai - 400 001.**  
**Stock Code: 521014**

(BY BSE LISTING CENTRE)

2) The Secretary

**National Stock Exchange of India Limited**  
**Exchange Plaza, 5<sup>th</sup> Floor,**  
**Plot No. C/1, G Block,**  
**Bandra-Kurla Complex,**  
**Bandra (East), Mumbai - 400 051.**  
**Stock Code: EUROTIXIND**

(BY NSE NEAPS)

Dear Sir / Madam,

**RE: NOTICE OF 36<sup>TH</sup> ANNUAL GENERAL MEETING ALONG WITH ANNUAL REPORT FOR THE FINANCIAL YEAR 2021-22.**

As required by Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Notice of 36<sup>th</sup> Annual General Meeting along with Annual Report of our Company for the financial year 2021-22.

The Company has completed the dispatch of the Notice of 36<sup>th</sup> Annual General Meeting along with Annual Report 2021-22 on Monday, 29<sup>th</sup> August, 2022.

This is for your kind information and records.

Thanking you,

Yours faithfully,

For **EUROTEX INDUSTRIES AND EXPORTS LIMITED**

**RAHUL**  
**RAWAT**

Digitally signed by RAHUL  
RAWAT  
DN: cn=RAHUL RAWAT, o=IN,  
ou=Personal,  
email=csrahulrawat@gmail.com  
Date: 2022.08.29 20:14:50  
+05'30'

**RAHUL RAWAT**  
**COMPANY SECRETARY**

Encl: As above

# **36<sup>TH</sup>**

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## **ANNUAL REPORT 2021-2022**



**EUROTEX INDUSTRIES AND  
EXPORTS LIMITED**



## **EUROTEX INDUSTRIES AND EXPORTS LIMITED**

### **BOARD OF DIRECTORS**

**Shri Krishan Kumar Patodia**

*Chairman and Managing Director*

**Shri Hariprasad Siotia**

**Shri Narayan Patodia**

*Managing Director*

**Shri Rajiv Patodia**

*Executive Director and CFO*

**Shri V. K. Gupta**

**Shri Ashwinikumar L. Dave**

**Smt. Hema Thakur**

**COMPANY SECRETARY**

**Shri Rahul Rawat**

**BANKERS**

**STATE 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 - 400 021.

**MILLS**

E-23 & E-1, MIDC, Gokul Shirgaon,

Kolhapur - 416 234

Maharashtra.

**SHARE TRANSFER AGENTS**

**DATAMATICS BUSINESS SOLUTIONS LIMITED**

Plot No. B-5, Part B, Cross Lane, MIDC,

Marol, Andheri (East), Mumbai - 400 093.

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**

Email: eurotex@eurotexgroup.com Website: www.eurotexgroup.in

### NOTICE CONVENING ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 36th Annual General Meeting ("AGM") of the Shareholders of **EUROTEX INDUSTRIES AND EXPORTS LIMITED** will be held on Saturday, the 24th September, 2022 at 9:00 a.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). No physical meeting of Members will be held, however, the meeting will be deemed to have been held at the Registered Office of the Company at 1110, Raheja Chambers, 11th Floor, 213, Nariman Point, Mumbai - 400 021 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited financial statements for the financial year ended 31st March, 2022 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Hari Prasad Siotia (DIN: 00015103) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s. Lodha & Co., Chartered Accountants (Firm's Reg. No. 301051E), and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. Lodha & Co., Chartered Accountants (Reg. No. 301051E), be and are hereby appointed as Statutory Auditors of the Company [in place of M/s. SVP & Associates, Chartered Accountants (Reg. No.003838N)], whose tenure will conclude at the ensuing Annual General Meeting) to hold office from the conclusion of 36th Annual General Meeting of the Company till the conclusion of 41st Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Statutory Auditors of the Company."

#### SPECIAL BUSINESS

4. To approve the remuneration of M/s. A. G. Anikhindi & Co., Cost Accountants, for the financial year ending 31st March, 2023 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, 2023, at the remuneration of Rs.10,000/- (Rupees Ten Thousand 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."

By Order of the Board

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

Place: Mumbai  
Date: 21st May, 2022

**NOTES:**

1. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Special Business of the Company is appended and forms part of the Notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20/2020 dated 5th May, 2020 read with Circulars No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 22/2020 dated 15th June, 2020, Circular No. 33/2020 dated 28th September, 2020, Circular No. 39/2020 dated 31st December, 2020, Circular No. 02/2021 dated 13th January, 2021, General Circular No. 10/2021 dated 23rd June, 2021 and 21/2021 dated 14th December, 2021 and 02/2022 dated 5th May, 2022, 10/2021 dated 23rd June 2021, 19/2021 dated 8th December, 2021, 20/2021 dated 8th December, 2021 and Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 (collectively referred to as "the Relevant Circulars") permitted the holding of Annual General Meeting ("AGM") through video conferencing (VC) and other audio visual (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Relevant Circulars, the AGM of the Company is being held through VC / OAVM.
3. Brief profile of Shri Hari Prasad Siotia in terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, is annexed herewith.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the Relevant Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) Certified True Copy of the relevant Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through Remote e-Voting. The said Resolution / Authorization shall be sent to the Company at Email ID [companysecretary@eurotexgroup.com](mailto:companysecretary@eurotexgroup.com)
6. The Company has notified closure of Register of Members and Share Transfer Books from 15th September, 2022 to 24th September, 2022 (both days inclusive).
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of Listed Companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
8. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar in case the shares are held by them in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Registrar in case the shares are held by them in physical form.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to M/s. Datamatics Business Solutions Limited in case the shares are held in physical form.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or the Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 16th September, 2022 through email on [companysecretary@eurotexgroup.com](mailto:companysecretary@eurotexgroup.com). The same will be replied by the Company suitably.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020 and 15th January, 2021, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
15. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-Voting Notice could not be serviced may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, Datamatics Business Solutions Limited. Shareholders may also request to visit the website of the Company [www.eurotexgroup.in](http://www.eurotexgroup.in) for downloading the Annual Report and Notice of the AGM. Alternatively, member may send an e-mail request at the email id [companysecretary@eurotexgroup.com](mailto:companysecretary@eurotexgroup.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-Voting instructions.
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

<b>Name of Director</b>	<b>Shri Hari Prasad Siotia</b>
Date of Birth	3rd May, 1934
Age (in years)	88 years
Date of Appointment	16th February, 1987
DIN	00015103
Nationality	Indian
Qualification	B.Com
Expertise in specific functional area and years	More than 6 decades of rich experience in the field of cotton and yarn trading and manufacturing activities of cotton spinning.
List of another Directorship held	PBM Polytex Limited Patodia Syntex Limited Eurospin Industries Limited Mercury Gems Private Limited
Chairman/Member of the Committees of the Board of Directors of the Company	Chairman of Stakeholders, Relationship Committee Member of Audit Committee & Nomination and Remuneration Committee
Chairman/Member of the Committee(s) of Board of Directors of other Companies in which he is a Director	Member of Audit Committee, Stakeholders Relationship Committee & Nomination and Remuneration Committee of PBM Polytex Limited
Shareholding in the Company	42218 Equity Shares

17. Since, the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Details of the Director retiring by rotation and seeking re-appointment at the 36th Annual General Meeting of the Company (in pursuance of Regulation 36 (3) of Listing Regulations and Secretarial Standard-2 on General Meetings):
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"). The facility of casting votes by a Member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by CDSL.
20. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned herein after.
21. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
22. **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, (as amended), and MCA Circulars 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.in.

The e-Voting period commences on 21st September, 2022 (9:00 A.M.) and ends on 23rd September, 2022 (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 15th September, 2022. 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., 15th September, 2022, may obtain the login ID and password by sending a request at companysecretary@eurotexgroup.com.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

(i) The voting period begins on 21st September, 2022 (9:00 AM) and ends on 23rd September, 2022 (5:00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 15th September, 2022, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

(ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide Remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-Voting Service Providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

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

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL, so that the user can visit the e-Voting Service Providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a Mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new</li> </ol>



	<p>screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the Remote e-Voting period or joining virtual meeting and voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a Mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the Remote e-Voting period or joining virtual meeting and voting during the meeting.</p>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting Service Provider name and you will be redirected to e-Voting service provider website for casting your vote during the Remote e-Voting period or joining virtual meeting and voting during the meeting.</p>

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

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

<b>Login type</b>	<b>Helpdesk details</b>
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
<b>Individual Shareholders holding securities in Demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

- (iv) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in demat form & physical shareholders.
- (v) The shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- (vi) Click on “Shareholders” tab.
- (vii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (viii) Next enter the Image Verification as displayed and Click on Login.
- (ix) 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.

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

	<b>For Shareholders holding shares in Demat Form other than Individual and Physical Form</b>
<b>PAN</b>	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat Shareholders as well as Physical Shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
<b>Dividend Bank Details or Date of Birth (DOB)</b>	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. <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>

(xi) After entering these details appropriately, click on “SUBMIT” tab.

(xii) 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.

(xiii) 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.

(xiv) Click on the EVSN for the Eurotex Industries and Exports Limited on which you choose to vote.

(xv) 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.

(xvi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xvii) 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.

(xviii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.

(xix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xx) 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

(xxi) 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.

(xxii) 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.

(xxiii) 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).

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting and e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
2. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-Voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
3. Shareholders are encouraged to join the Meeting through Laptop / iPad for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through Remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-Voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

23. 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 has appointed M/s. S. K. Jain & Co., Practicing Company Secretaries, (Membership No. FCS 1473 CP No 3076) as the Scrutinizer to the e-voting process, (including voting through Ballot forms received from Members) and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 2 (Two) working days of the conclusion of the AGM, a Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorised by the Chairman in writing, who shall countersign the same and declare the Result of the voting forthwith.

The Scrutinizer shall submit his report to the Chairman who shall declare the results of the voting. The result declare alongwith the Scrutinizer Report shall be placed on the Company website <http://www.eurotexgroup.in/> and on the website of CDSL immediately after the declaration of result by the Chairman or by a person duly authorized by him in writing. The results shall also be forwarded to the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Limited, where the Equity Shares of the Company are listed.

24. Members may also note that the Notice of 36th Annual General Meeting and the Annual Report for the financial year 2021-22 will also be available on the Company's website i.e. [www.eurotexgroup.in](http://www.eurotexgroup.in).
25. **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

**Registered Office:**

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

Place : Mumbai

Date : 21st May, 2022

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

**EXPLANTORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4**

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, 2023.

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 shareholders is sought for passing an Ordinary Resolution as set out in Item No.4 of the Notice for approval of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2023.

None of the 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.4 of the Notice.

The Board recommends the Ordinary Resolution set out in Item No.4 of the Notice for approval of the shareholders.

By Order of the Board

Place : Mumbai  
Date : 21st May, 2022

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

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

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their 36th Annual Report on the affairs of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2022.

	<b>2021-22</b> <b>(₹ in lakhs)</b>	<b>2020-21</b> <b>(₹ in lakhs)</b>
<b>FINANCIAL RESULTS</b>		
Profit/(Loss) before Finance Cost,		
Depreciation, Tax	<b>(482.02)</b>	(519.89)
Finance Costs	<b>254.49</b>	319.26
Profit/(Loss) before Depreciation	<b>(736.51)</b>	(839.15)
Depreciation	<b>330.28</b>	365.99
	<b>(1066.79)</b>	(1205.14)
Tax Expenses:		
Prior Years' Tax Adjustments	-	-
Deferred Tax Charged / (Credit)	<b>103.35</b>	(32.07)
Profit/(Loss) for the year	<b>(1170.14)</b>	(1173.07)
Balance brought forward		
from previous year	<b>(5927.02)</b>	(4793.95)
Transferred from OCI	<b>0.00</b>	0.00
Transferred from Capital Reserve	<b>0.00</b>	40.00
<b>Balance Carried to</b>		
<b>Balance Sheet</b>	<b>(7097.16)</b>	(5927.02)

## PERFORMANCE REVIEW

During the year, revenue from the operations of the Company is Rs.225.13 Lakhs as compared to Rs.2364.48 Lakhs in the previous year. The operating loss of the Company is Rs.482.02 Lakhs as against operating loss of Rs.519.89 Lakhs in the previous year. The loss after finance cost and depreciation is Rs.1066.79 Lakhs as against the loss of Rs.1205.14 Lakhs in the previous year.

## DIVIDEND

The Board has decided not to recommend any dividend for the financial year 2021-22.

## TRANSFER TO RESERVES

There is no transfer to reserves for the financial year 2021-22.

## SHARE CAPITAL

The paid-up Equity Share Capital as on 31st March, 2022 was Rs.8,74,98,650.

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

Due to labour problems, the Plant E-23 & E1 came to a grinding halt from 25th March, 2019 which has adversely affected the Financial Position of the Company.

In view of the above, the Board of directors in their meeting held on 26th March, 2022, has decided for closure of its

manufacturing plants situated at Kolhapur under Industrial Disputes Act, 1947, due to continuous grinding halt of operations of plants at Kolhapur arising out of persistent, unfair and illegal activities of labour including severe inter-union rivalry and disconnection of power. The Notice of Closure of the manufacturing plants at Kolhapur has been displayed on 30th March, 2022 at the main gate of the Plants and a copy of said Notice has been sent to concerned workers and authorities. Now, we do not have any permanent workmen in our mills and we have a few essential staff.

However, in electricity dispute matter, we have legal case with Maharashtra State Electricity Board (MSEB) regarding a dispute which was already decided in our favour by Maharashtra Electricity Regulatory Commission (MERC) and Appellate Tribunal for Electricity (APTEL), Delhi and where the Hon'ble Supreme Court has lastly decided in our favour but the order has been wrongly interpreted by MSEB as being in their favour and the matter is now pending with Hon'ble APTEL, Delhi for their decision on the interpretation of Hon'ble Supreme Court order.

## 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 & KEY MANAGERIAL PERSONNEL (KMPs)

Shri Janak Hemant Madhavdas was appointed as Chief Executive Officer (Real Estate Segment) of the Company on 13th April, 2021.

Shri Joginder Kumar Baweja (DIN: 01660198), Independent Director of the Company, resigned on 10th November, 2021. The Board expresses its appreciation for the valuable guidance provided by Shri Joginder Kumar Baweja during his tenure as Independent Director of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri Hari Prasad Siotia (DIN: 00015103) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. 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 Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the Annual Accounts for the year



ended 31st March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- (b) 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, 2022 and of the Profit & Loss of the Company for the year ended on that date;
- (c) 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;
- (d) that the annual accounts have been prepared on a going concern basis;
- (e) 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 and Listing Regulations, 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.

The Board of Directors expressed their satisfaction with the evaluation process.

The performance evaluation of the Chairperson and Non-Independent Directors was carried out by the Independent Directors at their separate meeting held on 12th August, 2021. The Independent Directors expressed their satisfaction with the evaluation process.

The performance evaluation of all the Directors, Committees and the Board was carried out by the Nomination and Remuneration Committee, Independent Directors and Board at their respective meetings.

#### **BOARD MEETINGS**

During the year, six 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 and is also hosted on the website of the Company [www.eurotexgroup.in](http://www.eurotexgroup.in)

#### **AUDITORS**

##### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of M/s. SVP & Associates, Chartered Accountants, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company.

The Board of Directors places on record its appreciation to the services rendered by M/s. SVP & Associates, as the Statutory Auditors of the Company.

Subject to the approval of the Shareholders, the Board of Directors of the Company has recommended the appointment of M/s. Lodha & Co., Chartered Accountants (Firm's Reg. No.301051E) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Accordingly, the Board recommends the Resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders 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 2022-23.

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.

##### **Maintenance of Cost Records**

As per Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are maintained.

##### **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., Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2022-23.

#### **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, 2022 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., Practicing Company Secretaries, was appointed to conduct Secretarial Audit of the Company for the financial year 2021-22 as required under Section 204 of the Companies Act, 2013 and the Rules

thereunder. The Secretarial Audit Report for the financial year 2021-22 forms part of the Annual Report as "Annexure B" to the Boards Report .

### **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. S. K. Jain & Co., Secretarial Auditor, 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 and 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 and 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. The said Policy is annexed to the Corporate Governance Report and is also available on the website of the Company [www.eurotexgroup.in](http://www.eurotexgroup.in)

### **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 action is 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.in](http://www.eurotexgroup.in).

### **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.

Internal Complaints Committees (ICC) have been set up to redress complaints received regarding sexual harassment and the Company has complied with provisions relating to the constitution of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

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

- a) No. of Complaints received: Nil
- b) No. of Complaints disposed of: 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:

- a. 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	5.38
Shri Narayan Patodia	3.84
Shri Rajiv Patodia	2.30

**b. 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	0.00
Shri Narayan Patodia	Managing Director	0.00
Shri Rajiv Patodia	Executive Director	0.00
Shri Rahul Rawat	Company Secretary	0.00

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

**d. The number of permanent employees on the rolls of the Company: 33 employees**

**e. Average percentile increases 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: Nil**

**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.in](http://www.eurotexgroup.in).

**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.

**ANNUAL RETURN**

The Annual Return of the Company for the financial year ended 31st March, 2022 in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013, is available on the Company's website and can be accessed at [www.eurotexgroup.in](http://www.eurotexgroup.in).

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

During the financial year 2021-22, 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 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 thereunder.

#### **OTHER DISCLOSURES**

- i. During the year under review, there was no change in the nature of business of the Company.
- ii. During the year under review, the Company does not have any Subsidiary or Joint Venture or Associate Company.
- iii. Shri Joginder Kumar Baweja (DIN :01660198), Independent Director of the Company, have resigned during the year under review.
- iv. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.
- v. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

#### **ACKNOWLEDGEMENT**

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

On behalf of the Board

**K. K. PATODIA**

Chairman and Managing Director

Place: Mumbai

Date : 21st May, 2022

## ANNEXURES “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:

During the year, the Company has not taken any measures for Energy Conservation as production activity is stopped and mill is not working.

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

None.

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

Nil

#### (B) TECHNOLOGY ABSORPTION:

##### (a) The efforts made towards technology absorption:

None.

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

None.

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

None.

##### (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	Nil
ii) Expenditure in Foreign Currency	11.71
iii) Foreign Exchange earned	197.32

On behalf of the Board

**K. K. PATODIA**

Chairman and Managing Director

Place: Mumbai

Date : 21st May, 2022

## ANNEXURES “B”

### FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT

### FOR THE YEAR ENDED 31ST MARCH, 2022

[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 Governance practice by **M/S 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 our opinion thereon.

Based on my verification of **M/S EUROTEX INDUSTRIES AND EXPORTS LIMITED** books, papers, minutes 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 1st April, 2021 to 31st March, 2022 (“the reporting period”) 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 **M/S EUROTEX INDUSTRIES AND EXPORTS LIMITED** (“the Company”) as given in **Annexure I**, for the period 1st April, 2021 to 31st March, 2022 according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;



- (iii) The Depositories Act, 1996 and Regulations & the Bye-laws, 1996 thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment; **(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'):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii. 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;
  - iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the period under Audit since the Company has not issued any securities.)**
  - v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company since it has not introduced any such scheme)**
- 2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued/listed/propose to list its Debt Securities to any Stock Exchange during the Financial Year under review)**
  - ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not listed/propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)**
  - iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable as the listed entity has not bought back/proposed to Buy-back any of its securities during the Financial Year under review)**

The Company has complied with following specific laws applicable to the Company

- i. Information Technology Act, 2000;
  - ii. Essential Commodities Act, 1955
  - iii. The Textiles (Development and Regulation) Order, 2001
  - iv. Public Liability Insurance Act, 1991
3. I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
  - (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. I have relied on the Representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis. The list of major head/groups of Acts, Laws and Regulations as generally applicable to the Company is given in **Annexure II**.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below:

- 1. *The Company has not complied with Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with regard to maintenance of Structured Digital Database.*
- 2. *The Company was required to disclose Related Party Transactions pursuant to Regulation 23(9) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 on BSE and NSE within 30 days from the date of publication of its standalone financial results for the half year ended 31st March, 2021 which were published on 22nd June, 2021. However the Company has disclosed the same on 2nd August, 2021.*

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.

Adequate Notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case of meetings being held on shorter notice relevant provisions of the Act were complied with, and a 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 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 compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the year/audit period under report, the Company has undertaken the following events/

actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc are mentioned below:-

1. Mr. Joginder Kumar Baweja, Non-Executive Director of the Company has resigned w.e.f. 10th November, 2021.
2. Mr. Janak Hemant Madhavdas was appointed as Chief Executive Officer of the Company w.e.f. 13th April, 2021.
3. The Company has closed its manufacturing plant at Kolhapur due to persistent labour problems since 25.03.2019.

For **S. K. Jain & Co.**  
Practicing Company Secretary

**Dr. S. K. Jain**  
FCS: 1473  
COP: 3076

UDIN NO.: F001473D000358214

Place: Mumbai  
Date: 20th May, 2022

## ANNEXURE - I

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers and agents, I report that the Company has, during the financial year under review, complied with the provisions of the Acts, the Rules made thereunder the Memorandum & Articles of Association of the Company with regard to:-

1. Minutes of the Meetings of the Board of Directors, Committee meetings held during the Financial Year under Report;
2. Minutes of General Meetings held during the Financial Year under report;
3. Maintenance of various Statutory Registers and Documents and making necessary entries therein;
4. Notice and Agenda papers submitted to all the Directors for the Board Meetings;

5. 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;
6. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Obligations and Disclosure Requirements during the financial year under Report;
7. Disclosure of Interest and Concerns in contracts and arrangement, shareholdings and Directorships in other Companies and interest in other entities by Directors;
8. 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;
9. Appointment and remuneration of Internal and Statutory Auditor;
10. Closure of Register of Members/record date for dividends;
11. Declaration and payment of dividend;

## **ANNEXURE - II**

### **List of applicable Laws to the Company**

1. The Bombay Shops and Establishment Act, 1948
2. The Employment Provident Fund and Miscellaneous Provision Act, 1952
3. The Factories Act 1948
4. Maharashtra Factory Rules, 1963
5. Industrial Dispute Act, 1947 and the rules made thereunder
6. The Employees State Insurance Act, 1948
7. The Payment of Bonus Act, 1965
8. The Minimum Wages Act, 1948
9. The Payment of Wages Act, 1936

### **Other Act applicable to the Company are :-**

- a) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- b) The Payment of Gratuity Act, 1972;
- c) Workmen's Compensation Act, 1923 and the rules made thereunder
- d) Apprentices Act, 1961
- e) Equal Remuneration Act, 1976
- f) Professional Tax Act, 1975;
- g) Employment Exchange Act;
- h) The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and Rules thereof
- i) The Employment Provident Funds Scheme, 1952

## **ANNEXURE - III**

**To,**

**The Members,**

**Eurotex Industries and Exports Limited**

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered 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. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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, standards is the responsibility of management. Our examination was limited to the verification of procedures 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.**  
Practicing Company Secretary

**Dr. S. K. Jain**

FCS: 1473

COP: 3076

UDIN NO.: F001473D000358214

Place: Mumbai

Date: 20th May, 2022

### **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.in](http://www.eurotexgroup.in)

I declare that the Board of Directors and Senior Management

Personnel have affirmed compliance with the Code of Conduct and Ethics policy of the Company.

**K.K. PATODIA**

*Chairman  
and Managing Director*

Place : Mumbai

Date : 21st, May 2022

## CHIEF EXECUTIVE OFFICER'S CERTIFICATION

To,

The Board of Directors

Eurotex Industries and Exports Limited

I, the undersigned, in my capacity as the Chief Executive officer of Eurotex Industries and Exports Limited ("the Company"), to the best of my knowledge and belief certify that :

- (a) I have reviewed financial statements and cash flow statement for the year ended 31st March, 2022 and to the best of my 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) I further state that, to the best of my 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) I am responsible for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of all 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 I am aware and the steps I have taken or propose to take to rectify these deficiencies.

- (d) I have indicated, based on my 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**

*Chairman  
and Managing Director*

Place : Mumbai

Date : 21st May, 2022

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### a) Industry Structure & 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 & 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) Key ratios**

<b>Ratios</b>	<b>F.Y 2021-22</b>	<b>F.Y 2020-21</b>
Debtors Turnover Ratio	67.30	23.07
Inventory Turnover Ratio	1.53	3.91
Current Ratio	0.13	0.17
Interest Coverage Ratio	(3.34)	(3.14)
Debt- Equity Ratio	(2.50)	(4.45)
Operating Profit Margin		
(%) Ratio	(535.58)	(86.73)
Net Profit Margin (%)	(582.47)	(50.46)
Return on Net Worth		
(%) (RONW)	(70.94)	(168.28)

**h) 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.

**I) 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 : 21st May, 2022

## 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 & 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 : 21st May, 2022

## 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.in](http://www.eurotexgroup.in)

#### 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, one Non-Executive Director and four Independent Directors.

#### Name Of The Director Position

##### Executive Directors

Shri Krishan Kumar Patodia	Chairman & Managing Director
Shri Narayan Patodia	Managing Director
Shri Rajiv Patodia	Executive Director and CFO

##### Non-Executive Directors

Shri H. P. Siotia

##### Independent Directors

Shri V. K. Gupta

Shri Ashwinikumar L. Dave

Shri Joginder Kumar Baweja (till 10th November, 2021)

Smt. Hema Thakur

**Total No. of Directors = 7**

#### 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. All required minimal information to be placed before the Board of Directors under Regulation 17(7) of Schedule II of SEBI (LODR) Regulations, 2015 as applicable were duly placed before the Meetings of Board of Directors.

#### B. Composition of the Board

Name of the Directors	Category	No. of shares held	Number of Directorship in other Public Limited Companies	Committee Memberships		List of Directorship held in other listed companies and category of directorship	Inter-se Relationship between Directors
				Member	Chairman		
Shri K. K. Patodia	Chairman & Managing Director	58242	4	1	-	PBM Poytex Limited Chairman	-
Shri H. P. Siotia	Non-Executive Director	42218	3	3	-	PBM Polytex Limited Non-Executive Director	-
Shri Narayan Patodia	Managing Director	36000	1	-	-	-	Brother of Shri K. K. Patodia
Shri Rajiv Patodia	Executive Director	19300	2	-	-	-	Son of Shri K. K. Patodia
Shri V. K. Gupta	Independent Director	0	-	-	-	-	-
Shri Ashwinikumar L. Dave	Independent Director	0	-	-	-	-	-
Smt. Hema Thakur	Independent Director	0	1	-	2	VXL Instruments Limited Independent Director	-



### C. Board Meetings and Attendance

During the financial year 2021-22, six Board Meetings were held on 13th April, 2021, 22nd June, 2021, 12th August, 2021, 10th November, 2021, 5th February, 2022 & 26th March, 2022. 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
Shri K. K. Patodia	6	No
Shri H. P. Siotia	6	Yes
Shri Narayan Patodia	6	Yes
Shri Rajiv Patodia	6	Yes
Shri V. K. Gupta	6	Yes
Shri Ashwinikumar L. Dave	6	Yes
Shri J. K. Baweja	5	Yes
Smt. Hema Thakur	6	Yes

#### Notes:

1. Shri K. K. Patodia and Shri H. P. Siotia both hold the position of Director in PBM Polytex Limited which is a Listed Company.
2. The Directorship of other Companies as mentioned above do not include directorship(s) in private companies, foreign companies and Companies under Section 8 of the Companies Act, 2013
3. In accordance with Regulation 26 of the Listing Regulations, Membership(s), Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public companies have been considered
4. During financial year 2021-22, none of our Directors acted as Member in more than 10 Committees or as Chairperson in more than 5 Committees across all Indian Companies (listed and unlisted), where he/she is a Director.
5. The Company placed before the Board all relevant information from time to time including information as specified in Part 'A' of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No. of Shares held by Non-Executive Directors are as follows:

- Shri Hari Prasad Siotia – 42218 Shares

### D. Familiarization Programme for Independent Directors

#### Training & Familiarization Programme

The Company conducts Familiarization Programme for the Independent Directors (ID) to enable them to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with Senior Management Personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations, products, organization structure and the industry of which it is a part. The IDs are also provided with an opportunity to visit the Company's plants.

The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company at [www.eurotexgroup.in](http://www.eurotexgroup.in).

### E. Directors Qualifications, Skills, Expertise, Competencies and Attributes

The Board Diversity Policy of the Company requires the Board to have a balance of skills, industry experience, expertise and diversity of perspectives appropriate to the Company which would strengthen the Corporate Governance structure in the Company. The Company currently has a right mix of Directors on the Board who possess the requisite qualifications, experience and expertise across multiple domains which facilitates quality decision making and enables them to contribute effectively to the Company in their capacity as Directors of the Company, more specifically in the areas of:

- i. Industry Knowledge and experience – knowledge of industry, sector and changes in industry specific policy.
- ii. Knowledge of Company - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities).
- iii. Technical/Professional Skills and experience in the areas of Finance, Banking, Safety & Corporate Social Responsibility and allied fields, projects, accounting, law, general corporate management and strategy development and implementation to assist the ongoing aspects of the business.
- iv. Behavioral Competencies - attributes and skills to use their knowledge and experience to function well as team members and to interact with key stakeholders. the names of directors who have such skills / expertise / competence



Name of Director(s)	Skill/Expertise/ Competence			
	Industry Knowledge and experience	Knowledge of Company	Technical/ Professional Skills	Behavioral Competencies
Shri K. K. Patodia	✓	✓	✓	✓
Shri H. P. Siotia	✓	✓	✓	✓
Shri Narayan Patodia	✓	✓	✓	✓
Shri Rajiv Patodia	✓	✓	✓	✓
Shri V. K. Gupta	✓	✓	✓	✓
Shri Ashwinikumar L. Dave	✓	✓	✓	✓
Smt. Hema Thakur	✓	✓	✓	✓

#### **F. Confirmation of the Board for Independent Directors**

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and that they are independent of the management.

#### **3. AUDIT COMMITTEE**

**MEMBERS:** Shri V. K. Gupta  
Shri H. P. Siotia  
Shri Ashwinikumar L. Dave  
Smt. Hema Thakur

**CHAIRMAN:** SHRI V. K. GUPTA

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

- 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.
- 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.
- 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.
- 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.
- Reviewing with the Management the annual financial statements and Auditor's Report thereon before submission to the Board for approval.
- 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 2021-22. These meetings were held on 22nd June, 2021, 12th August, 2021, 10th November, 2021 and 5th February, 2022.

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 Ashwinikumar L. Dave	4
Smt. Hema Thakur	4

#### **4. NOMINATION & REMUNERATION COMMITTEE**

**MEMBERS:** Shri V. K. Gupta  
Shri H. P. Siotia  
Shri Hema Thakur  
**CHAIRMAN:** SHRI V. K. GUPTA

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 2021-22, one Nomination & Remuneration Committee Meetings were held on 22nd June, 2021. 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 Meetings Attended
Shri V. K. Gupta	1
Shri H. P. Siotia	1
Smt. Hema Thakur	1

#### **PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

The criteria for performance evaluation of the Independent Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

##### **(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:

- 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.
- 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, 2022:**

The Non-Executive & Independent Directors have been paid sitting fees for attending Board / Committee Meetings attended by them. 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, 2022 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	54,000	36,000	9,000
2.	Shri V. K. Gupta	54,000	36,000	9,000
3.	Shri Ashwinikumar L. Dave	54,000	36,000	-
4.	Shri Joginder Kumar Baweja	9,000	-	-
5.	Smt. Hema Thakur	54,000	36,000	9,000

The Non-Executive Directors are paid sitting fees for the meetings of the Board and its Committees attended by them.

The Company also reimburses them the expenses incurred for travel and accommodation for attending the meetings of the Board/Committees, if any. Besides the above there are no other pecuniary relationship or transactions between the Company and Non-Executive Directors.

##### **(C) Criteria for making payment to Non-Executive Directors**

The Company has formulated a Nomination and Remuneration Policy which indicates criteria for making payment to Non-Executive Directors. As per the said Policy, the remuneration to Non-Executive Directors shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

The Non-Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committees thereof. The amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committees. The said Policy is available on the Company's website - [www.eurotexgroup.in](http://www.eurotexgroup.in)

**(D) Remuneration paid to Executive Directors for the year ended 31st March, 2022:**

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	23,60,500	7,87,745	11,96,357
Appointment valid upto	20/05/2024	20/05/2024	20/05/2024
Stock Option Details	–	–	–

The appointments of Managing Directors and Executive Director are contractual and are for a period of 3 (three) years

The appointment of the Managing Directors and other Executive Director may be terminated by either party by giving a 1 (one) month Notice.

No severance fee is payable on termination of appointment

Presently the Company does not have any Scheme for grant of any stock option either to the Directors or to the employees.

The structure of remuneration payable to the Managing Director & CEO involves a fair balance of fixed pay and variable component which is linked to achievement of business goals and long-term strategy.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

MEMBERS: Shri K. K. Patodia  
Shri H. P. Siotia  
Shri Narayan Patodia  
Shri Rajiv Patodia

CHAIRMAN: SHRI H. P. SIOTIA

COMPLIANCE OFFICER: Rahul Rawat  
(Company Secretary)

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 Dematerialized.
- Dividend.
- All other matters relating to Shareholders.

During the year 2021-22, five meetings were held on 21st June, 2021, 11th August, 2021, 9th November, 2021, 4th February, 2022 and 21st March, 2022.

Total number of service requests, enquiries, queries received during the year were seventeen and all of them were resolved.

Total number of investor complaints received and resolved during the year is nil.

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 has been 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	5
Shri H. P. Siotia	5
Shri Narayan Patodia	1
Shri Rajiv Patodia	5

**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 Ashwinikumar L. Dave.

**7. GENERAL BODY MEETINGS**

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

Year	AGM/EGM	Location	Date/Time	Special Resolution Passed
2021	AGM	Raheja Chambers, 1110, 11th Floor, 213, Nariman Point, Mumbai – 400 021	30.09.21 9:00 A.M.	No Special Resolution was passed in the meeting.
2020	AGM	Raheja Chambers, 1110, 11th Floor, 213, Nariman Point, Mumbai – 400 021	31.10.20 9:00 A.M.	No Special Resolution was passed in the meeting.
2019	AGM	"The Residence" An Apartment Hotel Saki Vihar Road, Before Nitie, Powai, Mumbai – 400 087	28.09.19 9:00 A.M.	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 and Ordinary Resolution through Postal Ballot Notice dt. 13th April, 2021:
1. To re-appoint Shri Krishan Kumar Patodia as Managing Director of the Company for a period of 3 years.

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	3794812	61.0921	3794812	0	100	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>3794812</b>	<b>61.0921</b>	<b>3794812</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public – Institutions	E-Voting	0	0	0	0	0	0	
	Postal Ballot	55063	0	0	0	0	0	0
	<b>Total</b>	<b>55063</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public - Non-Institutions	E-Voting	2483175	2291	0.0923	2214	77	96.6390	3.3610
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>2291</b>	<b>0.0923</b>	<b>2214</b>	<b>77</b>	<b>96.6390</b>	<b>3.3610</b>
<b>Total</b>		<b>8749865</b>	<b>3797103</b>	<b>43.3961</b>	<b>3797026</b>	<b>77</b>	<b>99.9980</b>	<b>0.0020</b>

2. To re-appoint Shri Narayan Patodia as Managing Director of the Company for a period of 3 years.

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	3794812	61.0921	3794812	0	100	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>3794812</b>	<b>61.0921</b>	<b>3794812</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public – Institutions	E-Voting	0	0	0	0	0	0	
	Postal Ballot	55063	0	0	0	0	0	0
	<b>Total</b>	<b>55063</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public - Non-Institutions	E-Voting	2483175	2291	0.0923	2214	77	96.6390	3.3610
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>2291</b>	<b>0.0923</b>	<b>2214</b>	<b>77</b>	<b>96.6390</b>	<b>3.3610</b>
<b>Total</b>		<b>8749865</b>	<b>3797103</b>	<b>43.3961</b>	<b>3797026</b>	<b>77</b>	<b>99.9980</b>	<b>0.0020</b>

3. To re-appoint Shri Rajiv Patodia as Executive Director of the Company for a period of 3 years.

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	3794812	61.0921	3794812	0	100	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>3794812</b>	<b>61.0921</b>	<b>3794812</b>	<b>0</b>	<b>100</b>	<b>0</b>
Public – Institutions	E-Voting	0	0	0	0	0	0	
	Postal Ballot	55063	0	0	0	0	0	0
	<b>Total</b>	<b>55063</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public - Non-Institutions	E-Voting	2483175	2291	0.0923	2214	77	96.6390	3.3610
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>2291</b>	<b>0.0923</b>	<b>2214</b>	<b>77</b>	<b>96.6390</b>	<b>3.3610</b>
<b>Total</b>		<b>8749865</b>	<b>3797103</b>	<b>43.3961</b>	<b>3797026</b>	<b>77</b>	<b>99.9980</b>	<b>0.0020</b>

(c) Person who conducted the Postal Ballot Exercise:

Dr. S. K. Jain, Practicing Company Secretary, 11, Friend's Union Premises Co-operative Society Ltd., 2nd Floor, 227, P. D.' Mello Road, Beside Manama Hotel, Mumbai – 400 001.

(d) 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 12th August, 2021 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 its 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) news papers.

The Company's website ([www.eurotexgroup.in](http://www.eurotexgroup.in)) 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, 24th September, 2022 at 9:00 a.m.
- Venue: Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

2. Financial Year: April 2021 – March 2022

3. Dividend Payment Date: No dividend has been recommended or declared for the financial year 2021-22.

**EUROTEX  
INDUSTRIES AND EXPORTS  
LIMITED**

4. Financial Calendar (tentative)	August, 2021	–	–
Annual General Meeting: 24th September, 2022	September, 2021	–	–
Results for quarter ending 30th June, 2022: Second week of August, 2022	October, 2021	14.45	12.75
Results for quarter ending 30th September, 2022: Second week of November, 2022	November, 2021	13.73	10.00
Results for quarter ending 31st December, 2022: Second week of February, 2023	December, 2021	12.70	10.50
Results for the year ending 31st March, 2023: Last week of May, 2023	January, 2022	13.30	12.60
	February, 2022	–	–
	March, 2022	–	–
	National Stock Exchange of India Ltd. (NSE) (in Rs.)		
5. Book Closure Date : 15th September, 2022 to 24th September, 2022 (Both days inclusive)	<b>Year</b>	<b>High</b>	<b>Low</b>
	April, 2021	7.80	7.00
6. Registered Office: <b>EUROTEX INDUSTRIES &amp; EXPORTS LIMITED.</b> 1110, Raheja Chambers, 11th Floor, 213, Nariman Point, Mumbai - 400 021	May, 2021	7.60	6.90
	June, 2021	8.70	6.65
	July, 2021	12.25	8.05
	August, 2021	12.25	10.85
	September, 2021	10.85	10.80
	October, 2021	15.40	10.85
7. Listing details of Equity Shares :	November, 2021	11.50	8.90
a) The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	December, 2021	14.20	9.35
	January, 2022	14.00	13.50
b) National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	February, 2022	14.00	13.50
	March, 2022	13.30	13.30
Listing Fees for the financial year 2021-22 has been paid to the Stock Exchanges where the shares of the Company are listed.	11. 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.	
8. Stock Code : 1) 521014 at Bombay Stock Exchange Ltd. 2) EUROTEXIND at National Stock Exchange of India Ltd.	12. Registrars & Transfer Agents:	Datamatics Business Solutions Ltd. Plot No. B-5, Part B, Crosslane, MIDC, Marol, Andheri (E), Mumbai – 400 093 Phone No: 022 - 66712156 Fax No.: 022 – 66712161	
9. Depositories for Equity Shares: National Securities Depository Ltd : ISIN Central Depository Services (India) Ltd. : INE022C01012	13. 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 dematerialization 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.	
10. Stock Performance : Stock Price Data The Bombay Stock Exchange Ltd. (BSE)		(in Rs.)	
<b>Year</b>	<b>High</b>	<b>Low</b>	
April, 2021	7.08	6.38	
May, 2021	7.08	5.96	
June, 2021	10.00	7.22	
July, 2021	15.06	8.37	



14. Distribution of Shareholding as on 31st March, 2022:

No. of Equity Shares	No. of Shareholders	No. of Shares held	% of Shareholding
Upto 500	3995	546762	6.25
501 to 1000	227	180965	2.07
1001 to 2000	127	195156	2.23
2001 to 3000	44	109991	1.26
3001 to 4000	16	56687	0.65
4001 to 5000	19	87999	1.01
5001 to 10000	28	195520	2.24
10,001 to 50,000	29	658012	7.52
50,001 and above	8	6718773	76.79
<b>Total</b>	<b>4493</b>	<b>8749865</b>	<b>100.00</b>

15. Dematerialisation of Shares and Liquidity:

97.75% of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2022.

16. Outstanding GDRs/ ADRs/ WARRANTS or any Convertible Instruments, conversion date and likely impact on Equity as on 31st March, 2022:

The Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

17. Plant Locations : Plot E-23 and E-1, MIDC, Gokul Shirgaon, Taluka – Karveer, Kolhapur - 416 234, Maharashtra.

18. Address for Correspondence : Eurotex Industries and Exports Ltd  
1110, Raheja Chambers,  
11th Floor, 213, Nariman Point,  
Mumbai - 400 021

Phone : 022-22041408

Fax : 022-22044139

Email : eurotexgroup@eurotexgroup.com

19. Compliance Officer : Rahul Rawat  
Company Secretary  
1110, Raheja Chambers,  
11th Floor, 213, Nariman Point,  
Mumbai – 400 021

Phone : 022-22041408

Fax : 022-22044139

**11. OTHER DISCLOSURES**

(a) 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.

(b) 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.

(c) The Company promotes ethical behavior in all its business activities and has put in place a mechanism for

reporting illegal or unethical behavior. 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 behavior. During the year under review no employee was denied access to Audit Committee.

(d) 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.

(e) The Company has no subsidiary and hence there is no policy for deciding the 'Material Subsidiary.'

(f) The policy on Related Party Transactions is available on the website of the Company i.e. www.eurotexgroup.in

12. The Company has complied with all the 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. All the recommendations made by the Committee during the year under review was accepted by the Board.

14. All the details of fees paid to the Statutory Auditor of the Company is as follows:

Particulars	Amount (Rs. in Lakhs)
Statutory Audit Fee	2.50
Other Services	0.75
<b>Total</b>	<b>3.25</b>

15. The Company has always believed in providing a safe and harassment-free workplace. The Company has complied with the applicable provisions of the aforesaid Act, and the rules framed thereunder, including constitution of the Internal Complaints Committee. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at www.eurotexgroup.in Status of Complaints as on 31st March, 2022

Particulars	Number of Complaints
Number of Complaints filed during the Financial Year	0
Number of Complaints disposed off during the Financial Year	0
Number of Complaints pending at the end of the Financial Year	0

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

17. The Company is in compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and 46 (2) (i) (b) of the Listing Regulations as applicable with regard to Corporate Governance
18. The Company does not have any exposure of any commodity and accordingly, no hedging activities for the same are carried out.
19. During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement.
20. The Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount are disclosed in the notes given to the financial statements.
21. The Company has not adopted any of the discretionary requirements given in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## **22. NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

Certificate from CS. Dr. S K. Jain, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report. continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

For and on behalf of the Board of Directors

**K. K. Patodia**

Chairman and Managing Director

Place : Mumbai

Date : 21st May, 2022

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

EUROTEX INDUSTRIES AND EXPORTS LIMITED

1110, Raheja Chambers, 11th Floor,

213, Nariman Point, Mumbai - 400021

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of EUROTEX INDUSTRIES AND EXPORTS LIMITED having CIN: L70200MH1987PLC042598 and having registered office at 1110, Raheja Chambers, 11th Floor, 213, Nariman Point, Mumbai - 400021 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company	Date of Cessation
1.	Narayan Patodia	00013122	16/02/1987	-
2.	Hari Prasad Siotia	00015103	16/02/1987	-
3.	Vinod Kumar Gupta	00021560	29/07/2003	-
4.	Rajiv Krishankumar Patodia	00026711	01/10/1997	-
5.	Krishan Kumar Patodia	00027335	16/02/1987	-
6.	Ashwinikumar Lalitshankar Dave	00126187	25/05/2019	-
7.	Hema Thakur Kiran	01363454	14/02/2015	-

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Mumbai

Date : 20th May, 2022

UDIN: F001473D000358161

**Dr. S. K. Jain**

Practicing Company Secretary

FCS No.:1473

COP No.:3076

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To,

The Members of

**EUROTEX INDUSTRIES AND EXPORTS LIMITED**

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

We have examined the compliance of conditions of Corporate Governance by **EUROTEX INDUSTRIES AND EXPORTS LIMITED** for the year ended on 31st March, 2022

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements Responsibility

The Compliance of conditions of Corporate Governance is responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

### Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clause (b) to (i) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2022.

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

The certification 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 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 **S. K. Jain & Co**

Place: Mumbai

Date: 20th May, 2022

UDIN: F001473D000358170

**Dr. S. K. Jain**

Practicing Company Secretary

FCS No.:1473

COP No.:3076

## 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, 2022, 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, 2022, its losses including total comprehensive income, its 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.

#### Material Uncertainty Related to Going Concern

Without qualifying, we draw your attention to note no. 40 of the financial statements with respect to the fact that the financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business though the Company has incurred cash loss during the current year, losses during the last many years, having eroded its entire net worth and that the operations of the manufacturing plants at Kolhapur have continued grinding halt since 25th march, 2019 and announcement of their closure on 30th March, 2022. The management has settled dues of lender banks (by borrowing from promoter group companies), is studying ways to restart

manufacturing activity, exploring for source of additional funds to restructure the operations after proper evaluation and in view of such positivities, the financial statements have been prepared on a going concern basis.

#### Emphasis of Matters

We draw your attention to note no. 41 of the financial statements with regard to management's assessment about the impact on Company's operations due to COVID 19 pandemic outbreak and lockdown. The management apart from considering the internal and external information up to the date of approval of these financial statements, the Company has also performed sensitivity analysis on the assumptions used including in respect of realisability of assets based on current indicators of future economic conditions, the Company expects to recover the carrying amount of all these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, as explained, the Management will continue to closely monitor any material changes to future economic conditions.

Our report is not modified in respect of these matters.

#### 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
1.	<b>Evaluation of indirect tax and other receivables</b>  The Company has MVAT receivables of Rs. 73.20 lakhs for the financial year 2007-08, Central sales tax of Rs. 96.90 lakhs for the financial year 2006-07 and MSEB Load Factor Incentives receivables of Rs.178.06 Lakhs disclosed in note no.5 of the financial statement pertaining to financial years from 2005-2008 including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	Obtained understanding of key uncertain tax positions.  Obtained details of completed tax assessments and demands received during the year from the Management.  Discussed with appropriate senior management and evaluated the Management's underlying key assumptions in estimating the tax provision.  Assessed management's estimate of the possible outcome of the disputed cases.  Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

### **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, 2020 ("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 the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as Directors 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. to financial statements)
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds other than those disclosed in Financial Statements, have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds other than those disclosed in Financial Statements, have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether



recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement. (Refer Note No 42(v) and (vi) to the financial statements)

- v. The Company has not declared any dividend during the previous financial year and has not proposed dividend for the current financial year. Accordingly, this clause is not applicable to the Company.

**For SVP & Associates**

Chartered Accountants

Firm Registration No: 003838N

**Yogesh Kumar Singhania**

Partner

Membership No: 111473

UDIN: 22111473AJJCYI14758

Place : Mumbai

Date : May 21, 2022

## 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 for the year 31st March, 2022.

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) In respect of Company's Property, Plant & Equipment (PPE) and Intangible Assets:

A The Company has maintained proper records showing full particulars, including quantitative details and situation of PPE.

B The Company has maintained proper records showing full particulars of intangible assets.

b) As explained and on the basis of our examination of records, the PPE 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 assets and no material discrepancies were noticed on such verification.

c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company (other than properties where the company is lessee and lease agreement are duly executed in favour of the company).

d) The Company has not revalued any of its PPE and intangible assets during the year and reporting under clause 3(i)(d) of the Order is not applicable to the Company.

e) According to information and explanations given to us and on the basis of our examination of the records of the Company, neither any proceedings have been initiated during the year nor are pending as at March 31, 2022 for

holding any benami property under the Benami Transactions (Prohibition) Act, 1988 as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company.

- ii) a) The inventories of the Company have been physically verified by the management at reasonable intervals during the year. The procedure of physical verification of the inventories and its coverage followed by the management are reasonable and adequate in relation to the size of the company and nature of its business. As per the information and explanations given to us and on the basis of our examination of the records, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification of inventories as compared to book records.
- b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, on the basis of security of current assets, in aggregate, at any point of time during the year, from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii) In respect of Investment in, provided any guarantee or security or granted any loan or advances in nature of loans, secured or unsecured, to the companies, firms, Limited Liability Partnerships or any other parties, the Company has not made any investment, provided guarantee or security or granted loans or any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year and hence, reporting under clauses 3(iii)(a),(b),(c),(d),(e) and (f) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with section 186

of the Act in respect of investments made. The Company has not provided any loans under section 185 of the Act.

- v) In our opinion and according to the information and explanations given to us, no deposits or amount which deemed to be deposit within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and The Companies acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under clause 3(v) of the Order is not applicable to 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 Goods and Service Tax, Provident fund, Employees' State Insurance, Income Tax, Duty of Customs, Cess, and other statutory dues during the year with the appropriate authorities except delay in payment of Provident fund of Rs. 0.69 lakhs and Employees' State Insurance of Rs.0.30 lakhs (yet to be paid).
- 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, Goods and Service Tax, Provident Fund, Employees State Insurance, Duty of Customs, Duty of Excise and Value Add Tax which have not been deposited on account of any dispute except the following:

Nature of Statute	Nature of Dues	Period to which it relates	Rs in Lakhs	Forum where the dispute is pending
The Custom Act, 1962	Cenvat Duty & Penalty	2006-07	131.08	Custom, Excise & Service Tax Appellate Tribunal (CESTAT), Mumbai
The Bombay Sales Tax Act, 1959 / Central Sales Tax Act, 1956	Sales Tax	2005-06	184.38	Maharashtra Sales Tax Tribunal, Pune.
		2006-07	101.59	
Income Tax Act, 1961	Penalty	2016-17	1.04	Commissioner of Income Tax (Appeal), NFAC

- viii) According to the information and explanations given to us and on the basis of our examination of the records, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income

Tax Act, 1961(43 of 1961) and reporting under clause 3(viii) of the Order is not applicable to the Company.

- ix) (a) Based on our audit procedures and on the basis of information and explanations given to us and on the basis of our examination of records, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender. The Company has not taken any loan or other borrowings from bank, financial institution and government during the year.
- (b) The Company has not been declared as willful defaulter by any bank or financial institution or other lender, refer note no. 42(ix) to the financial statement.
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not taken any term loans during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation given to us and based on our examination of the records of the company, short term funds of Rs. 4929.28 lakhs have been utilized for long term purposes.
- (e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) Based on our audit procedures and on the basis of information and explanations given to us, during the year, the Company has not raised any funds on the pledge of securities held in its subsidiaries, joint ventures or associates and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company noticed or reported during the year, nor have we been informed of such case by the management.
- b) During the year, no report under sub-section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and

Auditors) Rules, 2014 with the Central Government.

- c) Based on our audit procedures and on the basis of information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- xii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of Act and all the details have been disclosed in the financial statements as required by the applicable Accounting Standard (Refer Note no 32.5 to the financial statements).
- xiv) a) In our opinion and based on our examinations of records, the company has an internal audit system followed by the management but it has not appointed internal auditor as such during the year.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
- xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and reporting under clause 3 (xvi) (a) (b) (c) and (d) of the Order is not applicable to the Company.
- xvii) The Company has incurred cash losses of Rs. 744.21 lakhs in the current financial year and of Rs. 897.56 lakhs in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year and hence, reporting under clause 3 (xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on

the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company and hence reporting under clause 3 (xx) (a)(b) of the Order is not applicable to the Company.

**For SVP & Associates**  
Chartered Accountants  
Firm Registration No: 003838N

**Yogesh Kumar Singhania**  
Partner  
Membership No: 111473  
UDIN: 22111473AJJCY114758

Place : Mumbai  
Date : May 21, 2022

## **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, for the year 31st March, 2022 :**

### **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, 2022 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, 2022, 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. Besides, it is advisable to continue internal audit for better financial controls.

**For SVP & Associates**  
Chartered Accountants  
Firm Registration No: 003838N

**Yogesh Kumar Singhania**  
Partner  
Membership No: 111473  
UDIN: 22111473AJJCY114758

Place : Mumbai  
Date : May 21, 2022



## BALANCE SHEET

As At 31st March, 2022

	Note No.	As at 31st March, 2022	(Rs. in Lakhs) As at 31st March, 2021
<b>I ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment	1	<b>3,609.14</b>	3,957.18
(b) Financial assets			
(i) Investments	2	<b>481.19</b>	194.05
(ii) Deposits	3	<b>123.16</b>	123.86
(c) Income tax assets	4	<b>54.88</b>	63.05
(d) Other non-current assets	5	<b>348.16</b>	368.31
Total non-current assets		<b>4,616.53</b>	4,706.45
<b>2 CURRENT ASSETS</b>			
(a) Inventories	6	<b>73.96</b>	189.04
(b) Assets held for disposal	7	<b>1.49</b>	1.49
(c) Financial assets			
(i) Trade receivables	8	<b>0.42</b>	5.55
(ii) Cash and cash equivalents	9	<b>60.77</b>	25.42
(iii) Bank Balances other than (ii) above	10	<b>11.75</b>	12.37
(iv) Others financial assets	11	<b>52.16</b>	50.79
(d) Other current assets	12	<b>52.04</b>	78.86
Total current assets		<b>252.59</b>	363.52
<b>TOTAL ASSETS</b>		<b>4,869.12</b>	5,069.97
<b>II EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity share capital	13	<b>874.02</b>	874.02
(b) Other equity	14	<b>(2,523.38)</b>	(1,571.10)
Total equity		<b>(1,649.36)</b>	(697.08)
<b>2 LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	15	<b>503.00</b>	503.00
(b) Deferred Tax Liabilities (Net)	34 (c)	<b>833.61</b>	712.00
Total non-current liabilities		<b>1,336.61</b>	1,215.00
<b>3 CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	16	<b>3,305.00</b>	2,433.00
(ii) Trade payables	17		
(i) Total outstanding due to micro enterprises and small enterprises	-	-	
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises		<b>903.39</b>	1,169.23
(iii) Other financial liabilities	18	<b>525.37</b>	427.09
(b) Other current liabilities	19	<b>239.48</b>	119.51
(c) Provisions	20	<b>208.63</b>	403.22
Total current liabilities		<b>5,181.87</b>	4,552.05
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,869.12</b>	5,069.97

SIGNIFICANT ACCOUNTING POLICIES AND  
OTHER NOTES TO FINANCIAL STATEMENTS

1 to 43

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

As per our attached report of even date

**For SVP AND ASSOCIATES**

Chartered Accountants

Firm Reg. No.003838N

**YOGESH KUMAR SINGHANIA**

Partner

M.No. 111473

Mumbai, 21st May, 2022

**ASHWINIKUMAR L. DAVE**

**RAHUL RAWAT**

Company Secretary

(M. No. 27891)

**K. K. PATODIA**

**RAJIV PATODIA**

**H. P. SIOTIA**

**V. K. GUPTA**

**HEMA THAKUR**

**DIN : 00027335**

**DIN : 00026711**

**DIN : 00015103**

**DIN : 00021560**

**DIN : 00126187**

**DIN : 01363454**

*Chairman and Managing Director*

*Executive Director & CFO*

*Director*

*Director*

*Director*

*Director*

*Director*

Mumbai, 21st May, 2022



## STATEMENT OF PROFIT AND LOSS

For The Year Ended 31st March, 2022

	Note No.	For the year ended 31st March, 2022	(Rs. in Lakhs) For the year ended 31st March, 2021
<b>I REVENUE FROM OPERATIONS</b>	21	<b>225.13</b>	2,364.48
<b>II OTHER INCOME</b>	22	<b>254.98</b>	1,102.44
<b>III TOTAL INCOME</b>		<b>480.11</b>	3,466.92
<b>IV EXPENSES :</b>			
Cost of materials consumed	23	-	-
Purchase of stock-in-trade	24	<b>101.96</b>	1,315.92
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	<b>87.38</b>	691.90
Employee benefit expenses	26	<b>472.57</b>	1,469.61
Power and fuel	27	<b>30.03</b>	31.82
Finance cost	28	<b>254.49</b>	319.26
Depreciation and amortisation expenses	1	<b>330.28</b>	365.99
Other expenses	29	<b>270.19</b>	477.56
<b>TOTAL EXPENSES</b>		<b>1,546.90</b>	4,672.06
<b>V LOSS FOR THE YEAR BEFORE TAX</b>		<b>(1,066.79)</b>	(1,205.14)
<b>Tax Expenses:</b>			
Deferred tax expenses/(credit)	34(a)(b)	<b>103.35</b>	(32.07)
<b>TOTAL TAX EXPENSES</b>		<b>103.35</b>	(32.07)
<b>VI LOSS FOR THE YEAR</b>		<b>(1,170.14)</b>	(1,173.07)
<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/(assets)		<b>(51.02)</b>	(17.73)
(b) Equity instruments fair valued through other comprehensive income		<b>287.14</b>	84.48
(ii) Income tax relating to items that will not be reclassified to profit or loss		<b>(18.26)</b>	(16.80)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(952.28)</b>	(1,123.12)
<b>VIII EARNINGS PER SHARE</b>			
<b>(face value of Rs 10 per equity share)</b>			
<b>Basic and Diluted earnings per share (Rs.)</b>		<b>(13.37)</b>	(13.41)

SIGNIFICANT ACCOUNTING POLICIES AND  
OTHER NOTES TO FINANCIAL STATEMENTS

1 to 43

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

As per our attached report of even date  
**For SVP AND ASSOCIATES**  
Chartered Accountants  
Firm Reg. No.003838N

**YOGESH KUMAR SINGHANIA**

Partner

M.No. 111473

Mumbai, 21st May, 2022

**K. K. PATODIA**

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**HEMA THAKUR**

**RAHUL RAWAT**

Company Secretary

(M. No. 27891)

**DIN : 00027335**

**DIN : 00026711**

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*Chairman and Managing Director*

*Executive Director & CFO*

*Director*

*Director*

*Director*

*Director*

Mumbai, 21st May, 2022



## STATEMENT OF CASH FLOWS

For The Year Ended 31st March, 2022

(Rs. in Lakhs)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Loss before Tax	<b>(1,066.79)</b>	(1,205.14)
	<b>Adjustments for:</b>		
	– Depreciation and amortization expenses	<b>330.28</b>	365.99
	– Finance cost	<b>230.04</b>	293.97
	– Interest earned	<b>(5.55)</b>	(4.72)
	– Provision for Doubtful Insurance Claims	<b>–</b>	37.56
	– Provisions no longer required written back	<b>(7.70)</b>	(58.42)
	– (Profit) / Loss on sale of property, plant and equipment	<b>(111.27)</b>	(907.94)
	– Dividend earned	<b>(5.38)</b>	–
	– Remeasurement of the net defined benefit liabilities/ (assets)	<b>(51.02)</b>	(17.73)
	<b>Operating Profit before working capital changes</b>	<b>(687.39)</b>	(1,496.43)
	<b>Adjustments for:</b>		
	– Decrease/ (Increase) in Trade and Other Receivables	<b>52.05</b>	180.35
	– Decrease/ (Increase) in Inventories	<b>115.09</b>	812.41
	– Increase/ (Decrease) in Trade and Other Payables	<b>(234.49)</b>	(1,159.68)
	Cash Generated from Operations	<b>(754.74)</b>	(1,663.35)
	Direct Taxes paid	<b>8.17</b>	(24.61)
	<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>(746.57)</b>	(1,687.96)
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	– Purchase of property, plant and equipment	<b>(0.12)</b>	(5.49)
	– Sale of property, plant and equipment	<b>129.15</b>	1,904.20
	– Interest Received	<b>5.55</b>	4.72
	– Dividend received	<b>5.38</b>	–
	<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>139.96</b>	1,903.43
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	– (Repayment) of Long-Term Borrowings	<b>–</b>	(44.00)
	– (Repayment) / Proceeds of Short-Term Borrowings (Net)	<b>872.00</b>	99.82
	– Finance costs paid	<b>(230.04)</b>	(293.97)
	<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>641.96</b>	(238.15)
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>35.35</b>	(22.68)
	Cash and cash equivalents at the beginning of the year	<b>25.42</b>	48.10
	Cash and cash equivalents at the end of the year	<b>60.77</b>	25.42

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

As per our attached report of even date

**For SVP AND ASSOCIATES**

Chartered Accountants  
Firm Reg. No.003838N

**YOGESH KUMAR SINGHANIA**

Partner

M.No. 111473

Mumbai, 21st May, 2022

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Company Secretary

(M. No. 27891)

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*Chairman and Managing Director*

*Executive Director & CFO*

*Director*

*Director*

*Director*

*Director*

Mumbai, 21st May, 2022

## STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31st March, 2022

### (A) Equity Share Capital

	(Rs. in Lakhs)
<b>Balance as at 1st April, 2020</b>	<b>874.02</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at the beginning of April 1, 2020	874.02
Changes in equity share capital during the year	-
<b>Balance as at 31st March, 2021</b>	<b>874.02</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at the beginning of April 1, 2021	874.02
Changes in equity share capital during the period	-
<b>Balance as at 31st March, 2022</b>	<b>874.02</b>

### (B) Other Equity

(Rs. 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	
<b>Balance as at 1st April, 2020</b>	3,275.10	40.00	1,005.07	72.46	(4,793.95)	33.10	(78.15)	(446.37)
Changes in accounting policy or prior period Error	-	-	-	-	-	-	-	-
Restated balance as at the beginning of April 1, 2020	3,275.10	40.00	1,005.07	72.46	(4,793.95)	33.10	(78.15)	(446.37)
Profit/(Loss) for the year	-	-	-	-	(1,173.07)	-	-	(1,173.07)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	63.22	(13.27)	49.95
<b>Total comprehensive income for the year</b>	-	-	-	-	(1,173.07)	63.22	(13.27)	(1,123.12)
Transferred From Capital Reserve / to Retained Earnings	-	(40.00)	-	-	40.00	-	-	-
Revalued assets sold during the year	-	-	-	(1.61)	-	-	-	(1.61)
<b>OCI reversed on investment transferred (Net of tax)</b>	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	3,275.10	-	1,005.07	70.85	(5,927.02)	96.32	(91.42)	(1,571.10)
Changes in accounting policy or prior period Error	-	-	-	-	-	-	-	-
Restated balance as at the beginning of April 1, 2021	3,275.10	-	1,005.07	70.85	(5,927.02)	96.32	(91.42)	(1,571.10)
Profit/(Loss) for the year	-	-	-	-	(1,170.14)	-	-	(1,170.14)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	254.28	(36.42)	217.86
<b>Total comprehensive income for the year</b>	-	-	-	-	(1,170.14)	254.28	(36.42)	(952.28)
<b>Balance as at 31st March, 2022</b>	3,275.10	-	1,005.07	70.85	(7,097.16)	350.60	(127.84)	(2,523.38)

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

As per our attached report of even date  
**For SVP AND ASSOCIATES**  
Chartered Accountants  
Firm Reg. No.003838N

**YOGESH KUMAR SINGHANIA**

Partner  
M.No. 111473

Mumbai, 21st May, 2022

**ASHWINIKUMAR L. DAVE**

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Mumbai, 21st May, 2022

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Balance Sheet as at 31st March, 2022

### NOTE - 1

#### PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

Description of Assets	Land Freehold	Leasehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>I. Deemed carrying cost as at 1st April, 2020</b>	<b>78.42</b>	<b>162.37</b>	<b>2,244.76</b>	<b>3,282.72</b>	<b>31.85</b>	<b>43.86</b>	<b>15.86</b>	<b>5,859.84</b>
Additions	-	-	-	0.64	3.02	-	1.83	5.49
Deductions	-	105.98	719.07	46.30	-	3.17	-	874.52
<b>Balance as at 31st March, 2021</b>	<b>78.42</b>	<b>56.39</b>	<b>1,525.69</b>	<b>3,237.06</b>	<b>34.88</b>	<b>40.69</b>	<b>17.68</b>	<b>4,990.81</b>
Additions	-	-	-	-	0.03	-	0.09	0.12
Other Deductions/Adjustments	6.21	-	-	17.14	-	1.58	-	24.93
<b>Balance as at 31st March, 2022</b>	<b>72.20</b>	<b>56.39</b>	<b>1,525.69</b>	<b>3,219.92</b>	<b>34.90</b>	<b>39.11</b>	<b>17.77</b>	<b>4,966.00</b>
<b>II. Accumulated depreciation</b>								
Balance as at 1st April, 2020	-	4.18	248.38	474.87	7.42	19.43	7.43	761.70
Depreciation charged for the year	-	2.09	118.29	230.01	3.51	9.19	2.90	365.99
Deductions	-	3.83	77.05	11.25	-	1.94	-	94.07
<b>Balance as at 31st March, 2021</b>	<b>-</b>	<b>2.44</b>	<b>289.62</b>	<b>693.62</b>	<b>10.93</b>	<b>26.68</b>	<b>10.33</b>	<b>1,033.62</b>
Depreciation charged for the year	-	0.81	91.58	224.89	3.61	7.38	1.99	330.28
Deductions/Adjustments	-	-	-	5.96	-	1.09	-	7.05
<b>Balance as at 31st March, 2022</b>	<b>-</b>	<b>3.25</b>	<b>381.20</b>	<b>912.56</b>	<b>14.54</b>	<b>32.98</b>	<b>12.32</b>	<b>1,356.85</b>
<b>Balance as at 31st March, 2022</b>	<b>72.20</b>	<b>53.15</b>	<b>1,144.48</b>	<b>2,307.36</b>	<b>20.37</b>	<b>6.13</b>	<b>5.45</b>	<b>3,609.14</b>
<b>Balance as at 31st March, 2021</b>	<b>78.42</b>	<b>53.95</b>	<b>1,236.07</b>	<b>2,543.43</b>	<b>23.95</b>	<b>14.01</b>	<b>7.36</b>	<b>3,957.18</b>

a) Leasehold land acquired from time to time are for 95 years commencing from the year 1989 to year 2006.

b) Refer note 15 and 16 for Property, plant and equipment mortgaged as collateral security against secured loans.

(Rs. in Lakhs)

As at 31st March, 2022	As at 31st March, 2021
---------------------------	---------------------------

#### FINANCIAL ASSETS:

### NOTE - 2

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

Investments in equity instruments

Fair valued through other comprehensive income

PBM Polytex Limited of Rs. 10 each

3,58,345 Equity Shares (as at 31st March, 2021 - 3,58,345)

**476.60**

189.92

IDBI Limited of Rs. 10 each

10,720 Equity Shares (as at 31st March, 2021 - 10,720)

**4.59**

4.13

**481.19**

194.05

Aggregate market value of quoted investments

**481.19**

194.05

Aggregate carrying value of quoted investments

**481.19**

194.05

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Balance Sheet as at 31st March, 2022

	<b>(Rs. in Lakhs)</b>	
	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>NOTE - 3</b>		
<b>DEPOSITS</b>		
Unsecured, considered good		
Security deposits		
a) MSEDCL deposits	<b>108.61</b>	108.61
b) MIDC water deposits	<b>11.01</b>	11.01
c) Other deposits	<b>3.54</b>	4.24
	<b>123.16</b>	123.86
<b>NOTE - 4</b>		
<b>INCOME TAX ASSETS</b>		
Tax deducted at source	<b>54.88</b>	63.05
	<b>54.88</b>	63.05
<b>NOTE - 5</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Unsecured, considered good		
a) Capital advances	-	20.15
b) Load factor incentive receivable	<b>178.06</b>	178.06
c) MVAT/CST refund receivable	<b>170.10</b>	170.10
	<b>348.16</b>	368.31
<b>NOTE - 6</b>		
<b>INVENTORIES</b>		
a) Raw materials	-	-
b) Work-in-progress	-	-
c) Finished goods [including goods in transit of Rs.Nil [as at 31 March, 2021 - Rs.67,39,589 ]	-	67.40
d) Stores, spares and fuel	<b>28.07</b>	52.05
e) Packing materials	<b>0.67</b>	4.39
f) Cotton Waste [including goods in transit of Rs.Nil [as at 31 March , 2021 - Rs.19,98,240]	-	19.98
g) Freehold land (Refer note 39)	<b>45.22</b>	45.22
	<b>73.96</b>	189.04
1. Refer note no 31.8 for mode of valuation and accounting policy followed		
2. Inventories written down to Net Realisable Value by Rs.9.34 Lakhs (as at 31st March, 2021 - Rs.17.86 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.		

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Balance Sheet as at 31st March, 2022

(Rs. in Lakhs)

### NOTE - 7

#### ASSETS HELD FOR DISPOSAL

Assets held for disposal

As at 31st March, 2022	As at 31st March, 2021
1.49	1.49
<b>1.49</b>	<b>1.49</b>

### NOTE -8

#### TRADE RECEIVABLES

Trade receivables considered good - Secured

-

-

Trade receivables considered good - Unsecured

0.42

5.55

Trade receivables which have significant increase in credit risk

-

-

Trade receivables - Credit impaired

-

-

**0.42**

**5.55**

Trade receivable ageing schedule for the year ended on 31.03.2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	-	-	0.42	-	-	-	0.42
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-

Trade receivable ageing schedule for the year ended on 31.03.2021

Particulars	Outstanding for following periods from due date of payment						
	Note Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	-	5.55	-	-	-	-	5.55
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-

## **NOTES TO THE FINANCIAL STATEMENTS**

Forming part of the Balance Sheet as at 31st March, 2022

	<b>(Rs. in Lakhs)</b>	
	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>NOTE - 9</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with bank		
a) Balances in current accounts	<b>60.68</b>	23.87
b) Cash on hand	<b>0.09</b>	1.55
	<b>60.77</b>	25.42
<b>NOTE - 10</b>		
<b>BANK BALANCES OTHER THAN ABOVE</b>		
Balances with banks		
a) In deposit accounts*	<b>11.75</b>	11.00
b) In dividend accounts	<b>-</b>	1.37
	<b>11.75</b>	12.37
*Deposits with banks are kept as collateral security against bank guarantees		
<b>NOTE - 11</b>		
<b>OTHER FINANCIAL ASSETS</b>		
a) Interest receivable	<b>14.61</b>	12.40
b) Insurance Claim /Premium Refund Receivable	<b>37.55</b>	38.39
	<b>52.16</b>	50.79
<b>NOTE - 12</b>		
<b>OTHER CURRENT ASSETS</b>		
Unsecured, considered good		
a) Advances given to -		
Suppliers	<b>3.99</b>	4.53
Employees	<b>6.25</b>	9.49
Others	<b>16.81</b>	9.13
b) Prepayments	<b>17.72</b>	26.28
c) Export incentive receivable	<b>1.44</b>	3.94
d) Interest rebate receivable	<b>2.39</b>	2.39
e) IGST refund receivable	<b>-</b>	2.17
f) GST Input credit receivable	<b>3.44</b>	20.93
	<b>52.04</b>	78.86



## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Balance Sheet as at 31st March, 2022

### NOTE - 13

#### EQUITY SHARE CAPITAL

Share Capital	As at 31st March, 2022		As at 31st March, 2021	
	Number	(Rs. in Lakhs)	Number	(Rs. in Lakhs)
<b>Authorised :</b>				
Equity shares of Rs. 10 each	10,000,000	1,000	10,000,000	1,000
Preference shares of Rs. 10 each	30,000,000	3,000	30,000,000	3,000
	40,000,000	4,000	40,000,000	4,000
Issued, subscribed and paid up :				
Equity shares of Rs. 10 each	8,749,865	874.99	8,749,865	874.99
Less: Allotment money receivable (Other than from directors)		0.97		0.97
Equity shares of Rs. 10 each (Fully paid up)	8,749,865	874.02	8,749,865	874.02
Preference shares of Rs. 10 each (Fully paid up)*	-	-	-	-
	<b>8,749,865</b>	<b>874.02</b>	<b>8,749,865</b>	<b>874.02</b>

#### 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.

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, 5,000,000 non-cumulative and non convertible preference shares (Previous year - 5,000,000 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.

Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	8,749,865	87,498,650	8,749,865	87,498,650
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	8,749,865	87,498,650	8,749,865	87,498,650

Reconciliation of preference shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,000,000	50,000,000	5,000,000	50,000,000

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Balance Sheet as at 31st March, 2022

### c) Promoters Shareholding

As at 31.03.2022

Promoters Name	No of Shares at the beginning of the year	Changes during the year	No of shares at the end of the year	% of total shares	% change during the year
<b>Individulas</b>					
Krishan Kumar Patodia	58,242	-	58,242	0.67	-
Narayan Patodia	36,000	-	36,000	0.41	-
Rajiv Patodia	19,300	-	19,300	0.22	-
Hari Prasad Siotia	42,218	-	42,218	0.48	-
Gopal Patodia	195	-	195	0.00	-
Madhu Patodia	180	-	180	0.00	-
Shailja Patodia	8,800	-	8,800	0.10	-
Ritvika Patodia	5,000	-	5,000	0.06	-
Vedika Patodia	5,000	-	5,000	0.06	-
<b>Others</b>					
Patodia Syntex Limited	3,794,812	-	3,794,812	43.37	-
PBM Polytex Limited	2,231,980	-	2,231,980	25.51	-
Rajiv Agencies LLP	7,200	-	7,200	0.08	-
Thrust Investment and Management Consultants LLP	2,700	-	2,700	0.03	-

As at 31.03.2021

Promoters Name	No of Shares at the beginning of the year	Changes during the year	No of shares at the end of the year	% of total shares	% change during the year
<b>Individulas</b>					
Krishan Kumar Patodia	58,242	-	58,242	0.67	-
Narayan Patodia	36,000	-	36,000	0.41	-
Rajiv Patodia	19,300	-	19,300	0.22	-
Hari Prasad Siotia	42,218	-	42,218	0.48	-
Gopal Patodia	195	-	195	0.00	-
Madhu Patodia	180	-	180	0.00	-
Shailja Patodia	8,800	-	8,800	0.10	-
Ritvika Patodia	5,000	-	5,000	0.06	-
Vedika Patodia	5,000	-	5,000	0.06	-
<b>Others</b>					
Patodia Syntex Limited	3,794,812	-	3,794,812	43.37	-
PBM Polytex Limited	2,231,980	-	2,231,980	25.51	-
Rajiv Agencies LLP	7,200	-	7,200	0.08	-
Thrust Investment and Management Consultants LLP	2,700	-	2,700	0.03	-

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Balance Sheet as at 31st March, 2022

Shareholders holding more than 5% shareholding of equity shares

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Patodia Syntex Limited	3,794,812	43.37	3,794,812	43.37
PBM Polytex Limited	2,231,980	25.51	2,231,980	25.51

Shareholders holding more than 5% shareholding of preference shares

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PBM Polytex Limited	4,600,000	92.00	4,600,000	92.00
STAR SILK EXPORTS PVT LIMITED	400,000	8.00	400,000	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

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
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) Opening Balance	-	40.00
Less: Transferred to Retained Earnings	-	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 and equipment)	70.85	70.85
e) Retained Earnings Opening Balance	(5,927.02)	(4,793.95)
Add: Loss for the year	(1,170.14)	(1,173.07)
Transferred from Capital Reserve	-	40.00
Balance available for appropriations	(7,097.16)	(5,927.02)
f) Other Comprehensive Income Opening Balance	4.90	(45.05)
Add: Actuarial (loss) on defined benefit liabilities/(assets) (Net of tax)	(36.42)	(13.27)
Add: Fair value gain on investment (Net of tax)	254.28	63.22
	222.76	4.90
	(2,523.38)	(1,571.10)

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Balance Sheet as at 31st March, 2022

	<b>(Rs. in Lakhs)</b>	
	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>NOTE - 15</b>		
Borrowings (Non Current Liabilities)		
a) Unsecured loans:		
i) Interest free loan from a related party repayable in Financial Year 2022-23 Promoter's contribution	<b>3.00</b>	3.00
ii) Non cumulative, non convertible preference shares (Refer note 13 (b))	<b>500.00</b>	500.00
	<b>503.00</b>	503.00

## NOTE - 16

### BORROWINGS (CURRENT LIABILITIES)

a) Secured Loans		
Loans from related parties	<b>3,222.00</b>	1,460.00
	<b>3,222.00</b>	1,460.00
b) Unsecured Loans		
Loans from related parties	<b>83.00</b>	973.00
	<b>83.00</b>	973.00
	<b>3,305.00</b>	2,433.00

#### Notes:

- Inter Corporate Loan in point (a) are secured by way of equitable mortgage created on the certain immovable properties of the Company located at various locations.  
Secured / Unsecured loans taken from related parties, carries interest at 7% p.a. and repayable on demand (As at 31st March, 2021)

## NOTE - 17

### TRADE PAYABLES

a) Due to micro, small and medium enterprises:	-	-
b) Due to others	<b>903.39</b>	1,169.23
	<b>903.39</b>	1,169.23

Trade payable ageing schedule for the year ended on 31.03.2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled	
(i) MSME	-	-	-	-	-	-
(ii) Others	28.29	25.07	8.32	5.82	835.89	903.39
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Balance Sheet as at 31st March, 2022

Trade payable ageing schedule for the year ended on 31.03.2021

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Unbilled	
(i) MSME	–	–	–	–	–	–
(ii) Others	145.86	9.61	1.61	7.41	1004.73	1169.23
(iii) Disputed dues-MSME	–	–	–	–	–	–
(iv) Disputed dues-Others	–	–	–	–	–	–

Refer note no. 32.9 for disclosure under Micro, Small and Medium Enterprise Development Act.

(Rs. in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
a) Unpaid dividend *	-	1.37
b) Interest accrued on loans	318.83	168.94
c) Payable towards capital expenditure	0.75	0.75
d) Security deposit received	46.26	39.26
e) Temporary book overdraft	-	87.24
f) Finance cost in respect of non cumulative preference shares**	159.53	129.53
	<b>525.37</b>	<b>427.09</b>

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

\*\* Refer note no 13(b)

### NOTE - 19

#### OTHER CURRENT LIABILITIES

a) Advance received from customers	143.02	20.60
b) Statutory dues payable	96.46	98.91
	<b>239.48</b>	<b>119.51</b>

### NOTE - 20

#### PROVISIONS

Provision for employee benefits

(i) Compensated absences (Leave Entitlements)	40.01	54.43
(ii) Gratuity	168.62	348.79
	<b>208.63</b>	<b>403.22</b>

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Statement of Profit & Loss for the year ended 31st March , 2022

	<b>(Rs. in Lakhs)</b>	
	<b>For the year ended 31st March, 2022</b>	For the year ended 31st March, 2021
<b>NOTE - 21</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
a) Manufactured goods	-	973.11
b) Traded goods	<b>200.89</b>	1,351.84
	<b>200.89</b>	2,324.95
<b>Other operating revenue</b>		
a) Export incentives	<b>16.15</b>	36.82
b) Sale of scrap	<b>8.09</b>	2.71
	<b>24.24</b>	39.53
<b>Revenue From Operations</b>	<b>225.13</b>	2,364.48

### Manufactured goods:

Cotton Yarn	-	972.97
Knitted fabric	-	0.02
Cotton waste	-	0.12
<b>Total manufactured goods</b>	-	973.11

### Traded goods:

Cotton Yarn	<b>177.89</b>	1,210.22
Raw Cotton	<b>1.54</b>	123.67
Knitted fabric	-	0.55
Cotton comber noil waste	<b>21.46</b>	17.40
<b>Total traded goods</b>	<b>200.89</b>	1,351.84

## NOTE - 22

### OTHER INCOME

a) Dividend income on non-current investments	<b>5.38</b>	-
b) Rent received/ lease charges received	<b>128.16</b>	135.24
c) Provisions no longer required written back	<b>7.70</b>	58.42
d) Miscellaneous income	<b>2.43</b>	0.61
e) Profit on Disposal of Property, Plant & Equipments	<b>111.27</b>	907.94
f) Foreign Exchange Gain & Loss	<b>0.04</b>	0.23
	<b>254.98</b>	1,102.44



## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Statement of Profit & Loss for the year ended 31st March , 2022

	<b>(Rs. in Lakhs)</b>	
	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
<b>NOTE - 23</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw materials consumed		
Opening Stock	-	92.81
Add : Purchases	-	-
	-	92.81
Less : Sales	-	-
Less : Transferred to traded raw cotton	-	92.81
Less : Closing Stock	-	-
	-	-
<b>NOTE - 24</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>		
a) Cotton Yarn	<b>101.96</b>	1,186.81
b) Raw Cotton (traded Goods) transferred from stock	-	92.81
c) Cotton Comber Noil waste	-	36.30
	<b>101.96</b>	1,315.92
<b>NOTE - 25</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening balances		
a) Finished goods	<b>67.40</b>	745.11
b) Work-in-progress	-	34.03
c) Waste	<b>19.98</b>	0.14
	<b>87.38</b>	779.28
Less- Closing balances		
a) Finished Goods	-	67.40
b) Waste	-	19.98
	-	87.38
	<b>87.38</b>	691.90
<b>NOTE - 26</b>		
<b>EMPLOYEES BENEFITS EXPENSE</b>		
a) Salary and wages	<b>433.53</b>	1,416.66
b) Contribution to provident and other funds	<b>33.85</b>	46.36
c) Staff welfare expenses	<b>5.19</b>	6.59
	<b>472.57</b>	1,469.61

## NOTES TO THE FINANCIAL STATEMENTS

Forming part of the Statement of Profit & Loss for the year ended 31st March , 2022

	<b>(Rs. in Lakhs)</b>	
	<b>For the year ended 31st March, 2022</b>	For the year ended 31st March, 2021
<b>NOTE - 27</b>		
<b>POWER AND FUEL</b>		
POWER :		
Power & Fuel Consumed	<b>8.85</b>	1.15
Electricity charges	<b>21.18</b>	30.67
	<b>30.03</b>	31.82
<b>NOTE - 28</b>		
<b>FINANCE COST</b>		
a) Interest expense:		
- Term loans / loan repayable on demand	<b>215.84</b>	209.43
- Working capital loans	-	51.77
- Export bills discounted	-	2.83
- Suppliers /others	<b>14.20</b>	17.63
	<b>230.04</b>	281.66
Less: Interest received	<b>(5.55)</b>	(4.72)
	<b>224.49</b>	276.94
b) Other borrowing costs	-	12.32
c) Finance cost in respect of non cumulative preference shares	<b>30.00</b>	30.00
	<b>254.49</b>	319.26
<b>NOTE - 29</b>		
<b>OTHER EXPENSES</b>		
Stores and spares consumed	<b>13.72</b>	18.80
Packing materials consumed	<b>0.07</b>	1.79
Rent	<b>9.31</b>	6.34
Insurance	<b>14.42</b>	22.55
Rates and taxes (other than taxes on income)	<b>11.47</b>	36.14
Repairs and maintenance:		
- Plant and machinery	<b>2.18</b>	7.74
- Buildings	<b>33.21</b>	13.58
- Others	<b>2.21</b>	2.73
Travelling and conveyance	<b>13.08</b>	13.21
Communication charges	<b>7.86</b>	7.61
Brokerage and commission on sales	<b>5.77</b>	17.22
Freight and forwarding	<b>4.71</b>	91.61
Bank charges	<b>10.58</b>	8.09
Director's sitting fees	<b>3.96</b>	4.25
Legal and other professional charges	<b>49.36</b>	58.02
Auditors remuneration (Refer note no 32.7)	<b>2.75</b>	3.25
Miscellaneous expenses	<b>85.53</b>	164.63
	<b>270.19</b>	477.56

## NOTES

**Forming part of the Financial Statements for the year ended 31st March , 2022**

### 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 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 - 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.

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.

## NOTES

**Forming part of the Financial Statements for the year ended 31st March , 2022**

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.

#### (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

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### 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

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.

## **NOTES**

**Forming part of the Financial Statements for the year ended 31st March , 2022**

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 recognized 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.

### **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,



## NOTES

### Forming part of the Financial Statements for the year ended 31st March , 2022

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.

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 or loss.

## **NOTES**

### **Forming part of the Financial Statements for the year ended 31st March , 2022**

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 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

## NOTES

### Forming part of the Financial Statements for the year ended 31st March , 2022

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:

##### As a Lessee :

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

##### As a Lessor :

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### 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 , 2022

### NOTE - 32

#### OTHER NOTES TO FINANCIAL STATEMENTS

		(Rs. in Lakhs)	
		As at 31st March, 2022	As at 31st March, 2021
32.1	<b>Contingent liabilities :</b>		
a)	Amount outstanding in respect of Bills discounted under Export Letter of Credit (Since realised Rs Nil; As at 31st March, 2021 - Rs Nil)	-	-
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) Central Sales Tax	<b>382.88</b>	382.88
	(ii) Customs Duty	<b>131.08</b>	131.08
	(iii) Income tax	<b>1.04</b>	-

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.

#### 32.2 Commitments :

Estimated amount of contracts remaining to be executed on Capital Account and not provided for

(Net of advances of Rs. Nil ; As at 31st March, 2021 - Rs. 20.15 lakhs)

- |      |    |   |  |
|------|----|---|--|
| 32.3 | a) | <p>"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. Pursuant to the Order dated 28th February, 2020 passed by the Hon'ble Supreme Court in Civil Appeal No. 4304 of 2007, it has partly allowed the appeal and the order of MERC and APTEL to the extent circulars and policy decisions issued before the MERC was constituted is set aside in this regard. The Company has filed appeal No. 284 of 2021 before APTEL, Delhi on 16th August, 2021 against Order dated 12th July, 2021 of MERC as it has rejected our petition and has not considered reduction of contract demand and the wrongly bills raised for drawing power from its one unit to another unit on the basis of terms of its agreement with Board / NOC granted for setting up of CPP and has not considered other reliefs &amp; refund receivable. The company has a good case on merits and should be compensated for the loss caused to it due to pendency of legal proceedings, during which period, citing the pendency, MSEDCL wrongfully denied the various benefits / incentives to the Company. The case is pending for final hearing in "LIST OF FINALS" and disposal before APTEL, as per the APTEL Order dated 10.03.2022. The Load factor incentive and prompt payment discount receivable Rs. 178.06 lakhs are disclosed under Note 5 (b) of the financial Statement. Also, security deposit of Rs. 62.18 lakhs included in Note 3(a) and interest receivable of Rs. 10.02 lakhs on deposit is disclosed under Note 11 of the financial statement is wrongfully denied, upheld by MSEDCL.</p> <p>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.</p> <p>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.</p> |  |
| 32.4 | a) | <p>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</p>  |  |

## NOTES

### Forming part of the Financial Statements for the year ended 31st March , 2022

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.

#### 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.  
Rajiv Agencies LLP  
Maharashtra Fibre Syntex Limited  
Thrust Investment And Management Consultants LLP

## 2 TRANSACTIONS WITH RELATED PARTIES

Sr. Name Of Parties No.	(Rs. in Lakhs)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>1 REMUNERATION TO KEY MANAGERIAL PERSONNEL</b>		
SHRI KRISHAN KUMAR PATODIA	44.61	37.64
SHRI NARAYAN PATODIA	22.88	18.39
SHRI RAJIV PATODIA	20.96	17.51
SHRI RAHUL RAWAT	7.64	6.91
<b>2 OTHER RELATED PARTIES (ASSOCIATES)</b>		
PURCHASE OF GOODS & MATERIAL		
PBM POLYTEX LTD.	107.02	366.23
<b>SALE OF GOODS &amp; MATERIAL</b>		
PBM POLYTEX LTD.	33.98	10.05
PATODIA SYNTEX LTD.	0.71	-
<b>DIVIDEND INCOME ON SHARES</b>		
PBM POLYTEX LTD.	5.38	-

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### RENT RECEIVED

PBM POLYTEX LTD.	<b>1.80</b>	1.80
PATODIA SYNTEX LTD.	<b>1.68</b>	-

### RENT PAID

PATODIA SYNTEX LTD.	<b>3.36</b>	3.36
MURARILAL MAHENDRA KUMAR	<b>0.90</b>	0.90

### SHORT TERM SECURED LOAN TAKEN

PBM POLYTEX LTD.	<b>300.00</b>	-
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### SHORT TERM SECURED LOAN REPAID

PATODIA SYNTEX LIMITED	-	325.00
------------------------	---	--------

### SHORT TERM UNSECURED LOAN TAKEN

PATODIA SYNTEX LIMITED	<b>572.00</b>	840.00
MAHARASHTRA FIBRE SYNTEX LIMITED	-	423.00
THRUST INVESTMENT & MANAGEMENT CONSULTANTS LLP	-	245.00

### SHORT TERM UNSECURED LOAN REPAID

PATODIA SYNTEX LIMITED	-	395.00
MAHARASHTRA FIBRE SYNTEX LIMITED	-	240.00

### INTEREST ON SHORT TERM UNSECURED LOAN

PATODIA SYNTEX LTD.	<b>175.66</b>	184.25
RAJIV AGENCIES LLP	<b>0.38</b>	-
MAHARASHTRA FIBRE SYNTEX LIMITED	<b>12.81</b>	12.91
THRUST INVESTMENT AND MANAGEMENT CONSULTANTS LLP	<b>17.15</b>	5.84
PBM POLYTEX LTD.	<b>9.84</b>	-

### INTEREST PROVIDED

PBM POLYTEX LTD.	<b>27.60</b>	27.60
STAR SILK EXPORTS PVT. LTD.	<b>2.40</b>	2.40

(Rs. in Lakhs)

Sr. No.	CLOSING BALANCES OF RELATED PARTIES	As at 31st March, 2022	As at 31st March, 2021
<b>1</b>	<b>PAYABLE</b>		
	PBM POLYTEX LTD	-	91.95
	PATODIA SYNTEX LTD.	<b>10.83</b>	6.13
	PATODIA SYNTEX LTD. (PROMOTER'S CONTRIBUTION)	<b>3.00</b>	3.00
	PBM POLYTEX LTD (SECURED LOAN INCLUDING INTEREST)	<b>308.85</b>	-
	PATODIA SYNTEX LTD (TEMPORARY SECURED / UNSECURED LOAN INCLUDING INTEREST)	<b>2,855.73</b>	2,169.71
	MAHARASHTRA FIBRE SYNTEX LTD. (TEMPORARY UNSECURED LOAN INCLUDING INTEREST)	<b>196.20</b>	184.67
	THRUST INVESTMENT AND MANAGEMENT CONSULTANTS LLP (TEMPORARY UNSECURED LOAN INCLUDING INTEREST)	<b>263.04</b>	250.40



## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

<b>2 RECEIVABLE</b>		
PBM POLYTEX LTD.	<b>0.42</b>	5.51
<b>3 INVESTMENT</b>		
PBM POLYTEX LTD.	<b>476.60</b>	189.92
<b>4 6% NON CUMULATIVE NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES</b>		
PBM POLYTEX LTD.	<b>460.00</b>	460.00
STAR SILK EXPORTS PVT. LTD.	<b>40.00</b>	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. 199.35 Lakhs (Previous year Rs. 199.22 Lakhs) and Domestic sales of Rs. 1.54 Lakhs (Previous year Rs.325.73 Lakhs).

### 32.7 Auditors' Remuneration (Excluding tax)

	<b>(Rs. in Lakhs)</b>	
	<b>For the year ended 31st March, 2022</b>	For the year ended 31st March, 2021
Audit Fees	<b>2.00</b>	2.50
Limited Review	<b>0.75</b>	0.75

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### 32.8 Earnings per Share (EPS) is calculated as under :

Basic and Diluted EPS after taxation

Net profit after taxation as disclosed in the  
Statement of Profit & Loss

(Rs. In lakhs)

**(1,170.14)**

(1,173.07)

Weighted average number of equity shares  
outstanding during the year

(Nos.)

**8,749,865**

8,749,865

Earnings per share (EPS)

(Rs.)

**(13.37)**

(13.41)

Nominal value per equity share

(Rs.)

**10**

10

### 32.9 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. Particulars No.	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
(a) Principal amount outstanding	-	-
(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.

## NOTES

### Forming part of the Financial Statements for the year ended 31st March , 2022

#### 32.10 Financial Ratios

Sr. No.	Particulars	Numerator/ Denominator	As at 31st March, 2022 Ratios	As at 31st March, 2021 Ratios	As at 31st March, 2022	As at 31st March, 2021	% variance	Reason for variance
1	Current Ratio (in times)	Current Assets Current Liabilities	252.59 5,181.87	363.52 4,552.05	<b>0.05</b>	0.08	38.96%	Variation due to further short term loan taken from related parties during the current year, hence current liabilities increased.
2	Debt-Equity Ratio (in times)	Total Debt Shareholders Equity	4,126.83 (1,649.36)	3,104.94 (697.08)	<b>(2.50)</b>	(4.45)	43.83%	Variation due to short term loan taken from related parties & equity (reserve) decreased due to net loss suffered in current year.
3	Debt Service Coverage Ratio (in times)	Net Operating Income Debt service	(702.02) 62.41	(1,395.76) 1,206.18	<b>(11.25)</b>	(1.16)	-872.07%	Variation in net operating income due to revenue from operations & other income decreased as closing stock of yarn is completely exhausted in current year. Repayment of principal term loan & interest payment decreased in current year due to scarcity of fund.
4	Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend Average Shareholder's Equity	(1,170.14) (1,173.22)	(1,173.07) (134.72)	<b>99.74</b>	870.78	88.55%	Changes due to equity (reserve) decreased / become negative due to higher net loss suffered in current year as almost no sale of yarn trading activity has been effected in current year.
5	Inventory turnover ratio	Sales Average Inventory	200.89 131.50	2,324.95 595.25	<b>1.53</b>	3.91	60.89%	Changes due to almost negligible sale of yarn trading activity has been carried out due to scarcity of fund and closing stock of yarn is also completely exhausted in current year.
6	Trade Receivables turnover ratio	Total Sales Average Accounts Receivable	200.89 2.99	2,324.95 100.77	<b>67.30</b>	23.07	-191.70%	Changes due to almost negligible sale of yarn trading activity has been carried out due to scarcity of fund and closing stock of yarn is completely exhausted in current year as well as outstanding dues received from customers, hence receivable reduced.
7	Trade payables turnover ratio	Total Purchase Average Trade Payables	101.96 116.00	1,315.92 150.10	<b>0.88</b>	8.77	89.97%	Changes due to almost negligible purchases of yarn trading activity has been carried out due to scarcity of fund and trade payable reduced due to payment released to them in current year.
8	Net capital turnover ratio (in times)	Net sales Working Capital	200.89 (1,624.28)	2,324.95 (1,755.53)	<b>(0.12)</b>	(1.32)	90.66%	Changes due to almost negligible sale of yarn trading activity has been carried out due to scarcity of fund and closing stock of yarn is completely exhausted in current year.
9	Net profit ratio (%)	Net Loss Net Sales	(1,170.14) 200.89	(1,173.07) 2,324.95	<b>(582.47)</b>	(50.46)	-1054.41%	Changes due to almost negligible sale of yarn trading activity has been carried out due to scarcity of fund and closing stock of yarn is completely exhausted in current year. There was higher profit on sale of fixed assets Rs.907.94 lakhs in previous year, hence net loss seems almost equal to current year otherwise the net loss could have much higher.
10	Return on Capital employed (%)	Earning before interest and taxes Capital Employed	(812.30) 3,311.08	(885.88) 3,119.86	<b>(24.53)</b>	(28.39)	13.60%	–
11	Return on investment (%)	Profit / (Loss) after Tax Total Equity	(1,170.14) (1,649.36)	(1,173.07) (697.08)	<b>70.95</b>	168.28	57.84%	Changes due to equity (reserve) decreased / become negative due to higher net loss suffered in current year as almost no sale of yarn trading activity has been effected in current year.

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### 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:

#### A. Balance Sheet

##### Defined benefit plans

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Present value of plan liabilities	168.63	349.75
Fair value of plan assets	(0.01)	(0.96)
<b>(Asset)/Liability recognised</b>	<b>168.62</b>	<b>348.79</b>

#### B. Movements in plan assets and plan liabilities

##### As at 1st April 2021

	Present value of obligations	Fair Value of Plan assets
Current service cost	4.90	31.85
Past service cost	-	-
Interest Cost	15.76	33.64
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(0.10)
Actuarial (gain)/loss arising from changes in financial assumptions	0.32	(18.77)
Actuarial (gain)/loss arising from experience adjustments	43.07	21.87
Employer contributions	-	-
Benefit payments	(245.17)	(469.16)

##### As at 31st March 2022

\*The DBO as on 31st March, 2022 includes unpaid gratuity benefits amount of Rs.107.05 lakhs in respect of 61 employees whose settlements are yet to be paid as on 31st March, 2022

##### As at 1st April 2020

	Present value of obligations	Fair Value of Plan assets
Current service cost	31.85	47.75
Past service cost	-	-
Interest Cost	33.64	54.33
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excluding amounts included in net finance income/cost	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	(0.10)	-
Actuarial (gain)/loss arising from changes in financial assumptions	(18.77)	53.40
Actuarial (gain)/loss arising from experience adjustments	-	130.66
Employer contributions	-	-
Benefit payments	(469.16)	(501.07)

##### As at 31st March 2021

	Present value of obligations	Fair Value of Plan assets
	349.75	750.41
	4.90	31.85
	-	-
	15.76	33.64
	-	-
	-	-
	-	(0.10)
	0.32	(18.77)
	43.07	21.87
	-	-
	(245.17)	(469.16)
	<b>168.63</b>	<b>349.75</b>
	<b>750.41</b>	<b>965.34</b>
	<b>31.85</b>	<b>47.75</b>
	-	-
	<b>33.64</b>	<b>54.33</b>
	-	-
	-	-
	<b>(0.10)</b>	<b>-</b>
	<b>(18.77)</b>	<b>53.40</b>
	-	130.66
	-	-
	<b>(469.16)</b>	<b>(501.07)</b>
	<b>327.87</b>	<b>750.41</b>

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### C. Statement of Profit and Loss

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Employee Benefit Expenses:</b>		
Current service cost	4.90	31.85
Adjustment to Opening Fair Value of Plan Asset / Contribution Paid	-	-
Interest cost/(income)	8.08	(3.96)
<b>Total amount recognised in Statement of profit &amp; loss</b>	<b>12.98</b>	<b>27.90</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	7.63	14.73
Actuarial gains/(losses) arising from changes in demographic assumptions	-	(0.10)
Actuarial gains/(losses) arising from changes in financial assumptions	0.32	(18.77)
Experience gains/(losses)	43.07	21.87
<b>Total amount recognised in Other Comprehensive Income</b>	<b>51.02</b>	<b>17.73</b>

### 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:

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Financial Assumptions</b>		
Discount rate	6.60%	6.70%
Salary Escalation Rate		
Management Employees	0% for 1 year and 3% thereafter	0% for 1 year and 3% thereafter
Non-management Employees	0% for 1 year and 3% thereafter	0% for 1 year and 3% thereafter
<b>Demographic Assumptions</b>		
Mortality in Service : Indian Assured Lives Mortality (2012-14)		
Mortality Rate	Upto Age 44 : 2%, Ages 45 and above : 1%	Upto Age 44 : 2%, Ages 45 and above : 1%
Attrition Rate	60 years & 70 Years & above	60 years & 70 Years & above
Retirement Age		
Adjusted Average Future Services	8.95	13.78

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### E. Sensitivity

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

(Rs. in Lakhs)

	Impact on defined benefit obligation			
	Decrease	Increase	Increase in assumption	Decrease in assumption
Discount rate	1.95%	-1.87%	165.55	171.99
Salary Escalation Rate	-0.98%	1.02%	170.38	167.01

The sensitivity analyses 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, 2021 as follows:

(Rs. in Lakhs)

Year ending 31st March, 2022	Defined benefit obligation
2022	109.63
2023	12.77
2024	6.09
2025	2.48
2026	5.24
Thereafter	57.93

**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:

The disclosure in respect of the defined Compensated Absences are given below:

(Rs. in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Expenses recognised in Statement of Profit and Loss	14.27	7.06
Balance Sheet liability	40.01	54.43

### NOTE 34 - INCOME TAXES

(a) Tax expense recognised in the Statement of profit and loss

(Rs. in Lakhs)

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>Current tax</b>		
Current year	-	-
Adjustments for prior periods	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	103.35	(32.07)
<b>Total deferred income tax expense/(credit)</b>	103.35	(32.07)
<b>Total income tax expense/(credit)</b>	103.35	(32.07)

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



## NOTES

### Forming part of the Financial Statements for the year ended 31st March , 2022

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

	Year ended 31 March, 2022	(Rs. in Lakhs) Year ended 31 March, 2021
Profit /(loss) before taxation	(1,066.79)	(1,205.14)
Enacted income tax rate in India	28.60%	25.17%
Tax at the enacted income tax rate	(305.10)	(303.31)
<b>Effect of:</b>		
Non recognition of deferred tax on unabsorbed depreciation, brought forward losses and other timing differences*	408.46	271.24
<b>Tax expense/ (credit)</b>	<b>103.35</b>	<b>(32.07)</b>

	As at 31st March, 2022	(Rs. in Lakhs) As at 31st March, 2021
Unrecognised tax losses	1,997.34	2,114.06

\*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, 2021 and 31st March, 2022:

Deferred tax assets/(liabilities)	As at 1st April, 2020	Credit/ (charge) in Statement of profit and loss	As at 31st March, 2021	Credit/(charge) in Statement of profit and loss	As at 31st March, 2022
Property, plant and equipment	(928.89)	44.69	(884.20)	(63.85)	(948.05)
Expenses allowed on payment basis	308.76	(8.16)	300.60	(24.90)	275.69
Fair valuation gains/ (losses)	(107.14)	(21.26)	(128.40)	(32.85)	(161.25)
	<u>(727.26)</u>	<u>15.27</u>	<u>(712.00)</u>	<u>(121.61)</u>	<u>(833.61)</u>

## 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



## NOTES

### Forming part of the Financial Statements for the year ended 31st March , 2022

#### 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:

	(Rs. in Lakhs)		
	Level 1	Level 2	Level 3
<b>31st March, 2021</b>			
Assets at fair value	194.05	—	—
Liabilities at fair value	—	—	—
<b>31st March, 2022</b>			
Assets at fair value	481.19	—	—
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.

#### 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:

	(Rs. in Lakhs)	
	As at	As at
	31st March, 2022	31st March, 2021
Secured working capital credit facility from Banks	—	—

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

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

	(Rs. in Lakhs)		
	Carrying amount	1-12 months	more than 12 months
<b>As at 31st March, 2021</b>			
<b>Non-derivative liabilities</b>			
Borrowings	2,936.00	2,433.00	503.00
Trade payables	1,169.23	1,169.23	-
Other financial liabilities	427.09	427.09	-
	Carrying amount	1-12 months	more than 12 months
<b>As at 31st March, 2022</b>			
<b>Non-derivative liabilities</b>			
Borrowings	3,808.00	3,305.00	503.00
Trade payables	903.39	903.39	-
Other financial liabilities	525.37	525.37	-

### (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 their limited transaction in the foreign currency.

Foreign currency exposure	As at 31st March, 2022		As at 31st March, 2021	
	In Foreign Currency	(Rs. in Lakhs)	In Foreign Currency	(Rs. in Lakhs)
<b>Receivable</b>				
in USD	-	-	1,135	0.83
<b>Payable</b>				
in USD	1,466	1.11	7,410	5.45
	31st March, 2022		31st March, 2021	
	1% Increase	1% decrease	1% Increase	1% decrease
Increase / (decrease) in loss	0.01	(0.01)	0.05	(0.05)

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### (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:

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Borrowings bearing fixed rate of interest	3,805.00	2,933.00
Borrowings bearing variable rate of interest	—	—
	3,805.00	2,933.00

### 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:

	(Rs. in Lakhs)	
Increase in basis points (%)	—	—
Effect on profit before tax	—	—
Decrease in basis points (%)	—	—
Effect on profit before tax	—	—

### (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

## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### 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.

	<b>(Rs. in Lakhs)</b>	
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2022</b>	<b>31st March, 2021</b>
Total equity attributable to equity shareholders of the Company	<b>(1,649.36)</b>	(697.08)
Net debt	<b>4,126.83</b>	3,104.94
<b>Total capital (Borrowings and Equity)</b>	<b>2,477.48</b>	2,407.86
<b>Gearing ratio</b>	<b>1.67</b>	1.29

##### (b) Assets pledged as security

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

	<b>(Rs. in Lakhs)</b>	
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2022</b>	<b>31st March, 2021</b>
<b>First charge</b>		
Property, plant and equipment*		
Immovable	<b>1,269.83</b>	1,368.44

\*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.



## NOTES

Forming part of the Financial Statements for the year ended 31st March , 2022

### (d) Net debt reconciliation

	(Rs. in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Non-current borrowings	503.00	503.00
Current borrowings	3,305.00	2,433.00
Interest payable	318.83	168.94
Net Debt	4,126.83	3,104.94

  

	Non-current borrowings	Current borrowings	Interest payable/ (receivable)	Total
Net debt as at 1st April, 2021	503.00	2,433.00	168.94	3,104.94
Cash flows	-	872.00	149.89	1,021.89
Finance costs	-	-	230.04	230.04
Interest paid	-	-	(230.04)	(230.04)
Net debts as at 31st March, 2022	503.00	3,305.00	318.83	4,126.83

### NOTE - 38

#### RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use Based on Preliminary work,

The Company does not expect these amendments to have any significant impact on its Financial Statements.

### 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. Most of the civil constructions work have been completed and final internal finishing works are going on in flats and shops. Some flats are ready for sale and customers have booked the flats and the Company has received advance booking and installments amount and agreement to sale registered and the project is likely to be completed before 31st March, 2023.

### NOTE - 40

The Board of Directors in their meeting held on 26th March, 2022, has decided for closure of its manufacturing plants situated at Kolhapur under Industrial Disputes Act, 1947, due to continuous grinding halt of operations of plants at Kolhapur since 25th March, 2019 arising out of persistent, unfair and illegal activities of labour including severe inter-union rivalry and disconnection of power.

## NOTES

### Forming part of the Financial Statements for the year ended 31st March , 2022

The Notice of Closure of the manufacturing plants at Kolhapur has been displayed on 30th March, 2022 at the main gate of the Plants and a copy of said Notice has been sent to concerned workers and authorities. The Company has sent termination letters to all the remaining 38 workers individually by Registered Post

The matter in respect of labour dues for lay off of workers which was subjudice, has been disposed off by the Hon'ble Supreme Court mentioning that the remedy has to be sought in the Hon'ble High court. Accordingly, the Company has filed a writ petition before Hon'ble High Court, Mumbai. In view of expert legal advice taken in the matter, the Company expects a favourable decision. The management has settled all the dues of lender banks, studying ways to revive the operations of the Company, exploring for sources of additional funds and in view of such positivities, the financial statements have been prepared on a going concern basis.

#### NOTE - 41

The operations of the Mills came to a grinding halt w.e.f. 25th March, 2019 due to persistent labour problems and consequences thereof. The Company is making efforts to resolve the situation. The Company has considered the possible impact of COVID-19 in preparation of the above results. The impact of the global health pandemic may be different from that estimated as at the date of approval of results. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

#### NOTE - 42

##### OTHER STATUTORY INFORMATION:

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company does not have any transactions with companies struck off.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- ix) The Company is not declared wilful defaulter by and bank or financial institution or lender during the year.

#### NOTE - 43

The financial statements were approved for issue by the Board of Directors on May 21, 2022.

**RAHUL RAWAT**  
Company Secretary  
(M. No. 27891)

<b>K. K. PATODIA</b>	<b>DIN : 00027335</b>	<i>Chairman and 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>ASHWINIKUMAR L. DAVE</b>	<b>DIN : 00126187</b>	<i>Director</i>
<b>HEMA THAKUR</b>	<b>DIN : 01363454</b>	<i>Director</i>

Mumbai, 21st May, 2022

Mumbai, 21st May, 2022

**EUROTEX INDUSTRIES AND EXPORTS LTD.**  
**Raheja Chambers, 12th Floor,**  
**213, Nariman Point, Mumbai - 400 021.**