

**25th ANNUAL REPORT 2019-2020**

## PRODUCT RANGE

- COTTON SUITING FABRIC INCLUDING TWILL, SATIN, BROKEN, WEAVE.
- SPECIALISE LYCRA FANCY FABRIC.
- JACKARD SUITING FABRICS
- CODROI SUITING FABRIC INCLUDES 14,16,19,21,24 WELL INCLUDES FANCY CODROI FABRICS.
- POWER LYCRA SUITING FABRIC.
- LINEN FABRIC AND COTTON LINEN BLENDED FABRIC.
- SPECIAL EXPORT FABRIC ORDERS FOR THE COUNTRIES LIKE SHRI LANKA.

## WORLD CLASS PRODUCTION FACILITIES

- COMPANY HAS 67 PICANOL (BELGIUM BASED COMPANY) RAPIER WEAVING MACHINES WHICH PROVIDES VERSETILE PRODUCT RANGE OF FABRIC.
- PRODUCTION CAPACITY UP TO 6 LACS METER PER MONTH.
- QUALITY OF FABRIC MAINTAINED BY SKILLED AND EXPERIENCED STAFF AND LABOUR.
- WORLD CLASS WEAVING FABRIC QUALITY WHICH MAY FULFILL EXPORT ORDER IN TIME WITH HIGH AND GRADATION.



**BOARD OF DIRECTORS**

Shri. Kiritkumar S. Patel	Chairperson and Whole Time Director
Shri. Dineshkumar P. Patel	Managing Director w.e.f. 15.11.2019
Shri. Bharatbhai P. Patel	Director
Shri. Nirmal B. Patel	Whole Time Director [CFO upto 13.09.2020]
Shri. Jasvant K. Patel	Independent Director
Shri. Vasudevbbhai L. Patel	Independent Director
Shri. Ghanshyambhai C. Patel	Independent Director [Resigned w.e.f. 03.09.2020]
Shri. Bhavikkumar R. Patel	Independent Director
Shri Ketankumar J. Raval	Independent Director [Resigned w.e.f. 03.09.2020]
Ms. Sweta B. Patel	Non Executive Additional Director w.e.f. 15.11.2019
Shri Snehalkumar Patel	Independent Additional Director w.e.f. 14.09.2020

**AUDIT COMMITTEE [Reconstituted on 14.09.2020]**

Shri. Jasvant K. Patel  
Shri. Vasudevbbhai L. Patel  
Shri. Dineshkumar P. Patel

**COMPANY SECRETARY & COMPLIANCE OFFICER**

CS Priyanka M. Patel

**CHIEF FINANCIAL OFFICER**

Shri Parind D. Patel  
[Appointed w.e.f. 14.09.2020]

**NOMINATION AND REMUNERATION COMMITTEE**

Shri. Vasudevbbhai L. Patel  
Shri. Bhavikkumar R. Patel  
Shri. Jasvant K. Patel  
Shri. Kiritkumar S. Patel

**AUDITORS**

Manghani & Associates, Chartered Accountants,  
E-803, Parishkaar-1, Near Khokhra Circle, Maninagar,  
Ahmedabad-380008  
Email ID : cadineshmanghani@gmail.com  
Mobile : 9462321774

**BANKER**

Bank of India,  
Ahmedabad Main Branch  
Bhadra, Ahmedabad

**STAKEHOLDERS RELATIONSHIP COMMITTEE  
[Reconstituted on 14.09.2020]**

Shri. Bhavikkumar R. Patel  
Shri. Dineshkumar P. Patel  
Shri. Kiritkumar S. Patel

**REGISTERED OFFICE & WORKS**

Plot No. 3311, GIDC, Phase IV, Chhatral, Taluka-Kalol, Dist. Gandhinagar (N.G) - 382729, Gujarat  
**Website :** www.minaxitextiles.com, **Tel. No. :** 91-02764-234008, **e-Mail:** minaxitx@yahoo.com

**REGISTRARS AND SHARES TRANSFER AGENTS****LINK INTIME INDIA PVT. LTD.****Head Office : Mumbai**

C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.  
**Tel.:** 022-49186270, **Fax:** 022-49186060, **E-mail:** mt.helpdesk@linkintime.co.in

**Branch Office : Ahmedabad**

5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre - 1, (ABC-1), Beside Gala Business Centre,  
Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad-380006.  
**Tel.:** 079-26465179/86/87, **E-mail:** ahmedabad@linkintime.co.in

**KIND ATTENTION : PHYSICAL SHAREHOLDERS**

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents Link Intime India Pvt. Ltd for assistance in this regard.

The Securities and Exchange Board of India ("SEBI") vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all physical securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Link Intime India Private Limited / the company. Members holding shares in demat form are requested to submit their PAN and update Bank Details and e-mail ID, with their respective Depository Participants.



**NOTICE**

**NOTICE** is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of the Company Minaxi Textiles Limited will be held on Tuesday, 08<sup>th</sup> day of December, 2020 at 02:00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means (OAVM), to transact the following businesses :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March 2020, together with the Reports of the Auditors and Board of Directors thereon.
2. To appoint a director in place of Shri Dineshkumar P. Patel (DIN: 02268757), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in Place of Shri. Kiritkumar S. Patel, (DIN: 00372855), who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESS :**

4. **TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149,150,152,178 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), rules framed thereunder and Schedule IV to the Act and Regulation 25 and other applicable provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder from time to time, approval of the members of the Company be and is hereby accorded to the re-appointment of Shri. Bhavikkumar R. Patel (DIN-07253037) as an Independent Director of the company, not liable to retire by rotation, for his second term of five consecutive years w.e.f.12<sup>th</sup> August, 2020.

5. **TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION**

**"RESOLVED THAT** Ms. Sweta Bharatbhai Patel (DIN:08597528) who was appointed as a Non-Executive Additional Director of the company by the Board of directors and who holds office as per Section 161 of the Companies Act, 2013 up to the date of this Annual General Meeting and in respect of whom the company has pursuant to Section 160 of the Companies Act, 2013 received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed as a director of the Company."

6. **TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION**

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") or any statutory modification(s) or re-enactment thereof, approval be and is hereby accorded to the appointment of Shri. Dineshkumar Patel, as a Managing Director of the Company, for a period of 5 (Five) years with effect from 15<sup>th</sup> November, 2019 (upto 14<sup>th</sup> November, 2024) on the terms and conditions including remuneration as are set out hereunder."

**FUNCTIONS :** Shri. Dineshkumar Patel shall have substantial power of management subject to directions, control and supervision of the Board of Directors of the Company.

**REMUNERATION:**

- a) The Company shall, in consideration of the performance of the duties, pay to Shri Dineshkumar Patel the remuneration amounting to Rs.80,000/- (Rupees Eighty Thousand Only) per month, may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable, and such remuneration payable to him may comprise of salary, allowance, perquisites etc., and the Board of Directors is hereby authorized to increase his remuneration maximum upto Rs. 2,00,000/- (Rupees Two Lac) per month from time to time.
- b) The payment of above remuneration to be paid to the Managing Director will be subject to the conditions prescribed under second proviso of Section II(B) read with Section II(A) of Part A of Schedule V and sub-section 3 of Section 197 of the Act, and such remuneration will be payable for a period of three years w.e.f 15.11.2019 to 14.11.2022 and the payment of remuneration thereafter during his tenure will be subject to the approval of the shareholders.

**SITTING FEES :** As long as Shri Dineshkumar Patel functions as the Managing Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors / Committee thereof."

**"RESOLVED FURTHER THAT** where in a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling prescribed in Section II of part II of Schedule V of the Act for the year, which will be payable to him as minimum remuneration for that year."

7. **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 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (LODR) Regulations, 2015, Shri. Snehalkumar Patel (DIN 07339340), who was appointed as an Additional Independent Director of the company by the Board of directors and who holds office as per Section 161 of the Companies Act, 2013, up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 160 of the Companies Act, 2013 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 13<sup>th</sup> September, 2025.”

8. **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 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (LODR) Regulations, 2015, Shri. Chirag Nalinbhai Shah (DIN 0008904247), who was appointed as an Additional Independent Director of the company by the Board of directors and who holds office as per Section 161 of the Companies Act, 2013, up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 160 of the Companies Act, 2013 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 22<sup>nd</sup> October, 2025.”

9. **TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION**

**“RESOLVED THAT** pursuant to Section 115 read with section 169 of the Companies Act, 2013, Shri Nirmal B. Patel (DIN: 03584745) be and is hereby removed from the post / office of Director of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

**Regd. Office :**

**Plot No. 3311, GIDC, Phase-IV, Chhatral  
Taluka Kalol, Dist. Gandhinagar(N.G)-382729  
Gujarat**

**By Order of the Board  
For, Minaxi Textiles Ltd**

**Priyanka M. Patel  
Company Secretary**

**Date : 23/10/2020**

**NOTES :**

1. Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. The Company had applied to ROC in terms of MCA Circular No. 28/2020 dated 17.08.2020 read with Section 96 of the Companies Act, 2013 for extension of time for holding of 25<sup>th</sup> Annual General Meeting by three months. The Office of the Registrar of Companies, had vide its order dated 02<sup>nd</sup> September, 2020 granted extension of period by 2 months and 15 days for holding of Annual General Meeting of the Company. The ensuing AGM is being held within the time period allowed by Registrar of Companies in accordance with Section 96 of the Companies Act, 2013.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 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.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Members desiring any relevant information with regard to the Accounts or any other matter at the Annual General Meeting are requested to write to the company atleast 7 (seven) days before the date of the meeting through email at [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com) to enable the management to keep the required information available at the meeting.
6. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting 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 MCA 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 ANNUAL GENERAL MEETING AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THE NOTICE.**
7. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorising 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 Scrutinizer by email through its registered email address at [csashokppathak@gmail.com](mailto:csashokppathak@gmail.com) and to the company at [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com)
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.minaxitextiles.com](http://www.minaxitextiles.com) . The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
9. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
10. An explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of special business in the Notice is annexed hereto as **Annexure –A**.
11. The relevant details, pursuant to Regulation 36, of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / re-appointment at this AGM, is furnished as **Annexure-B** to the Notice.
12. A special notice in terms of section 115 of the Companies Act, 2013 has been received from members proposing the removal of Shri Nirmal B. Patel from the office of the Director in the Company. The copy of Special Notice is annexed hereto as **Annexure –C**. The copy of a special notice is forwarded / dispatched to Shri Nirmal B. Patel in accordance with the provisions of section 169(3) of the Companies Act, 2013 which empowers him to make a representation, if any, in this connection.
13. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 01<sup>st</sup> day of December, 2020 to Tuesday, 08<sup>th</sup> day of December, 2020 (both days inclusive).
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the accompanying Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 08<sup>th</sup> December, 2020. Members seeking to inspect such documents can send an email at [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com)
15. Members are requested to contact M/s. Link Intime India Pvt. Ltd., 5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off. C.G. Road, Navrangpura, Ahmedabad-380009 for recording any change of address, bank mandate, ECS or nominations, and for redressal of complaints contact the Compliance Officer at the Registered Office of the Company in case the shares are held by them in physical form and to their DPs in case the shares are held by them in electronic form.
15. To support 'Green Initiative' shareholders who hold shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with their concerned Depository Participant. Shareholders who holds share in physical mode are requested to register their email addresses with the Company/ Registrar.
16. The shareholders holding shares in physical form are requested to register their e-mail address with the Registrar & Share Transfer Agents by sending duly signed request letter quoting their folio no., name and address. In case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).
17. 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.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**19. Electronic Dispatch of Annual Report and process for Registration of Email ID for obtaining copy of Annual Report :**

In compliance with, the General Circular No.20/2020 dated 5th May, 2020 issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India, Notice of the Meeting along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2019-20 will also be available on website of the Company, i.e. [www.minaxitx@yahoo.com](mailto:www.minaxitx@yahoo.com); website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of the CDSL [www.evotingindia.com](http://www.evotingindia.com).

Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company are requested to register/ update their email addresses by writing to the Company with details of folio number along with self-attested copy of PAN card at [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com) .

Members holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depository Participant.

**20. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.**

**21. General Instructions for e-voting :**

- i. The e-voting period commences on **Saturday, December 05, 2020 (9.00 a.m. IST) and ends on, Monday, December 07, 2020 (5.00 p.m. IST)**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **Tuesday, December 01, 2020 (being the cut-off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast, the shareholder shall not be allowed to change it subsequently.
- ii. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/ OAVM and who have not cast their vote on the resolutions through Remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
- iii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Tuesday, December 01, 2020.
- iv. Shri Ashok P. Pathak, Practicing Company Secretary (Membership No.ACS 9939 and COP No. 2662) of Ashok P. Pathak & Co., Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- v. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- vi. The Scrutinizer shall, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
- vii. The results shall be declared forthwith by the Chairperson or a person so authorized by him in writing on receipt of consolidated report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.minaxitextiles.com](http://www.minaxitextiles.com) and shall also be communicated to the BSE Limited.

**22. Procedure / Instructions for e-voting are as under:**

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

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members 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.
- ii. Members are encouraged to join the Meeting through Laptops/ IPads for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. 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.



- v. For ease of conduct, members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 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.
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- vii. If you have any queries or issues before or during AGM & e-Voting from the e-Voting System, 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) or contact Shri Nitin Kunder (022- 23058738 ) or Shri Mehboob Lakhani (022-23058543) or Shri Rakesh Dalvi (022-23058542)

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned below for Remote e-voting.
- ii. Only those Members/ 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.
- iii. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
- iv. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS.**

- i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as "Corporates" module.
- ii. 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).
- iii. 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.
- iv. 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.
- v. 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.
- vi. Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [csashokppathak@gmail.com](mailto:csashokppathak@gmail.com) and to the Company at the email address viz, [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com), if have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**A. For shareholders who receive notice of annual general meeting :**

- i. The voting period begins on **Saturday, December 05, 2020 (9.00 a.m. IST) and ends on Monday, December 07, 2020 (5.00 p.m. IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. **Tuesday, December 01, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- iii. The Shareholder should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on "Shareholders" module.
- v. 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.

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- vi. Next enter the Image Verification as displayed and Click on Login
- vii. 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.
- viii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip communicated by mail indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. 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 for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN (201027002) of Minaxi Textiles Limited on which you choose to vote.
- xiii. 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.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
- xv. 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.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. 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.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- a. 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.
- b. For Demat shareholders : please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

**ANNEXURE A TO NOTICE – EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item No.4 to 9 that accompanying Notice dated 23<sup>rd</sup> October, 2020.

**ITEM NO. 4 : SPECIAL RESOLUTION****RE-APPOINTMENT OF SHRI. BHAVIKKUMAR R. PATEL AS AN INDEPENDENT DIRECTOR FOR SECOND TERM OF FIVE CONSECUTIVE YEARS.**

Shri Bhavikkumar R. Patel (DIN - 07253037) was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with rules framed thereunder ("the Act") and the Clause 49 of the erstwhile Listing Agreements entered into with the stock exchanges. Shri Bhavikkumar R. Patel hold office as an Independent Director of the Company upto 11<sup>th</sup> August, 2020 ('first term'), and in terms of sub-section 10 read with Explanation to sub-section 11 of Section 149 of the Act, he is eligible to be appointed as an independent director for second term of five consecutive years w.e.f. 12<sup>th</sup> August, 2020 by passing of Special Resolution.

Shri Bhavikkumar R. Patel is under Graduate in the commerce stream and having around 7 Years of experience, including 5 years with Minaxi Textiles in trading. In the opinion of the Board, Shri Bhavikkumar R. Patel fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015') and is independent of the management.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 on 22<sup>nd</sup> October 2019, and also amended the Companies (Appointment and Qualification of Directors) Rules, 2014. These rules came into force on 1<sup>st</sup> December 2019. These rules made it mandatory for independent directors of Indian Companies to get registered with a central database i.e. Independent Directors Databank, and to qualify an online proficiency self-assessment test. Accordingly, Shri Bhavikkumar R. Patel registered with a central database i.e. Independent Directors Databank and he is eligible for giving proficiency self-assessment test within one year from date of Registration with a Central database or with such extended time if any.

The Board of Directors at its meeting held on 30<sup>th</sup> July, 2020, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Shri Bhavikkumar R. Patel would be beneficial to the Company and it is desirable to re-appoint him as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years w.e.f. 12<sup>th</sup> August, 2020.

The Company has received a notice in writing as per the provisions of Section 160 of the Act to propose the candidature of Shri Bhavikkumar Patel, for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act and Regulation 17 of SEBI Listing Regulations. Shri Bhavikkumar Patel has provided (a) his consent to act as Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (b) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under 164(2) of the Act and (c) a declaration to the effect that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under SEBI Listing Regulations. Accordingly, it is proposed to reappoint him as an Independent Director of the Company, as per the provisions of Section 149 of the Act and SEBI Listing Regulations.

Copy of the letter of appointment of Shri Bhavikkumar R. Patel setting out the terms and conditions of appointment are available for inspection without any fee by the members electronically upto the date of AGM. The details of Shri Bhavikkumar R. Patel as required under the provisions of Regulation 36(3) of the Listing Regulations, 2015 and other applicable provisions are provided in Annexure - B to this Notice. Shareholders may write to the Company at [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com) in this regard, by mentioning "Request for Inspection" in the subject of the Email.

The Board of Directors recommend Special Resolution set out at Item No. 4 of the Notice and seeks approval of the Shareholders. None of the Directors, Key Managerial Personnel and relatives thereof except Shri Bhavikkumar R. Patel, has any concern or interest, financial or otherwise, in the resolution at Item No. 4.

**ITEM NO. 5 – ORDINARY RESOLUTION****TO CONFIRM THE APPOINTMENT OF MS. SWETA B. PATEL (DIN 08597528) AS NON -EXECUTIVE DIRECTOR OF THE COMPANY**

Pursuant to applicable provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors of the Company ("Board") had, on recommendation of the Nomination and Remuneration Committee of the Board, appointed Ms. Sweta B. Patel (DIN- 08597528) as Non-Executive Additional Director of the Company at its meeting held on 12<sup>th</sup> day of November, 2019 with effect from 15<sup>th</sup> November, 2019. Pursuant to the provisions of Section 161 of the Act, Ms. Sweta B. Patel will hold office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing as per the provisions of Section 160 of the Act, proposing the candidature of Ms. Sweta B. Patel for the office of director, to be appointed as such under the provisions of Section 149 of the Act and Regulation 17 of SEBI Listing Regulations. Ms. Sweta Patel has provided (a) her consent to act as a Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (b) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under 164 (2) of the Act.

In due compliance of second proviso to sub-section(1) of Section 149 read with Regulation 17(1)(a) of the listing regulations and in view of the background and to broad base the strength of the Board it will be in the interest of the Company to appoint her as director of the Company. Ms. Sweta B. Patel holds graduation in Pharmacy.

The Board of Directors recommend Resolution set out at Item No. 5 of the Notice and seeks approval of the Shareholders.

None of the Directors, Key Managerial Personnel and relatives of Ms. Sweta B. Patel, has any concern or interest, financial or otherwise, in the resolution at Item No. 5 except Shri Dineshkumar P. Patel, Managing Director being Father in law, Shri Parind D. Patel, Chief Financial Officer being husband and Ms. Sweta Patel herself is interested in the resolution at Item No. 5 as it relates to her appointment.

#### **ITEM NO. 6 – SPECIAL RESOLUTION**

##### **TO CONFIRM SHRI. DINESHKUMAR P. PATEL (DIN 02268757) AS A MANAGING DIRECTOR OF THE COMPANY FOR THE PERIOD OF FIVE YEARS**

The Board of Directors of the Company at its meeting held on 12<sup>th</sup> November, 2019 appointed Shri. Dineshkumar P. Patel as Managing Director for a period of 5 years with effect from 15<sup>th</sup> November, 2019 (i.e. up to 14<sup>th</sup> November, 2024) on terms and conditions mentioned in the resolution, subject to the approval by a resolution of the shareholders of the company in a general meeting.

The payment of remuneration of the Managing Director is subject to the conditions prescribed under second proviso of Section II(B) read with Section II(A) of Part A of Schedule V and sub-section 3 of Section 197 of the Act, and such remuneration will be payable for a period of three years w.e.f 15.11.2019 to 14.11.2022 and the payment of remuneration thereafter during his tenure will be subject to the approval of the shareholders.

Shri. Dineshkumar P. Patel is a Director of the company since 2008 having a wide-ranging experience in the textiles and varied businesses. He is appointed as a Managing Director for period of five years at a remuneration of Rs.80,000/- p.m. with an authority to the Board of Directors to increase the remuneration maximum upto Rs. 2 Lac per month. The remuneration proposed to be paid to him is moderate in compare to the remuneration paid in the textiles industry companies of a similar size to the company. As a managing Director he has no pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel.

The Board of Directors at its meeting held on 27.05.2019 and 12.11.2019 has passed resolution for waiver of the remuneration to be paid to the Whole Time Directors and Managing Director looking to the business condition of the company and due to the financial crisis, until resolved otherwise by the Board.

With the knowledge and experience of Shri Dineshkumar P. Patel, the company can grow further.

The resolution at Item No. 6 of the Notice seeks the approval of the members to the said appointment by way of ordinary resolution. Your directors recommend the resolution to the shareholders for adoption.

Ms. Sweta B. Patel, Director is considered as interested being daughter-in-law and Shri Parind Patel, Chief Financial Office being Son of Shri. Dineshkumar P. Patel, and Shri. Dineshkumar P. Patel himself is interested, financially or otherwise, in the resolution at Item No. 6 as it relates to his appointment.

#### **ITEM NO. 7 – ORDINARY RESOLUTION**

##### **TO CONFIRM THE APPOINTMENT OF SHRI. SNEHALKUMAR PATEL (DIN 07339340) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

The Board of Directors of the Company ("Board") had, on recommendation of the Nomination and Remuneration Committee of the Board, appointed Shri. Snehal Kumar Patel (DIN 07339340) as an Independent Director of the Company at its meeting held on 14<sup>th</sup> day of September, 2020 to hold office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing as per the provisions of Section 160 of the Act, proposing the candidature of Shri Snehal Kumar Patel for the office of director, to be appointed as such under the provisions of Section 149 of the Act and Regulation 17 of SEBI Listing Regulations. Shri Snehal Kumar Patel has provided (a) his consent to act as a Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (b) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under 164 (2) of the Act.

In due compliance of second proviso to sub-section (1) of Section 149 read with Regulation 17(1)(a) of the listing regulations and in view of the background and to broad base the strength of the Board it will be in the interest of the Company to appoint him as director of the Company. Shri Snehal Kumar Patel is qualified as M.Tech (Electrical) and is a businessman having varied experience. He is director of Uma Buildroad Private Limited since January, 2016.

The Board of Directors recommend Resolution set out at Item No. 7 of the Notice and seeks approval of the Shareholders.

None of the Directors, Key Managerial Personnel and relatives of Shri Snehal Kumar Patel, has any concern or interest, financial or otherwise, in the resolution at Item No. 7 of this Notice.

#### **ITEM NO. 8 – ORDINARY RESOLUTION**

##### **TO CONFIRM THE APPOINTMENT OF SHRI CHIRAG NALINBHAI SHAH (DIN - 0008904247 ) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

The Board of Directors of the Company ("Board") had, on recommendation of the Nomination and Remuneration Committee of

the Board, appointed Shri Chirag Nalinbhai Shah (DIN- 0008904247) as an Independent Director of the Company at its meeting held on 23<sup>rd</sup> day of October, 2020 to hold office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing as per the provisions of Section 160 of the Act, proposing the candidature of Shri Chirag Nalinbhai Shah for the office of director, to be appointed as such under the provisions of Section 149 of the Act and Regulation 17 of SEBI Listing Regulations. Shri Chirag Shah has provided (a) his consent to act as a Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (b) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under 164 (2) of the Act.

In due compliance of second proviso to sub-section (1) of Section 149 read with Regulation 17(1)(a) of the listing regulations and in view of the background and to broad base the strength of the Board it will be in the interest of the Company to appoint him as director of the Company. Shri Chirag Nalinbhai Shah is qualified as Bachelor of Civil Engineering and having ten years experience in construction field.

The Board of Directors recommend Resolution set out at Item No. 8 of the Notice and seeks approval of the Shareholders.

None of the Directors, Key Managerial Personnel and relatives of Shri Chirag Nalinbhai Shah, has any concern or interest, financial or otherwise, in the resolution at Item No. 8 of this Notice.

#### **ITEM NO : 9 : ORDINARY RESOLUTION**

##### **TO REMOVE SHRI NIRMAL B. PATEL FROM THE POST OF DIRECTOR ON RECEIPT OF SPECIAL NOTICE FROM THE MEMBERS**

Shri. Dineshkumar P. Patel and Shri. Kiritkumar S. Patel, Members of the Company who holds 88,00,434 and 88,00,435 equity shares being 17.81 % and 17.81% of total voting power of the company respectively has sent to the company special notice on 12.10.2020 under section 115 read with Section 169(2) of the Companies Act, 2013 proposing to move a resolution to remove Shri Nirmal B. Patel from the office of Director of the Company.

Shri Nirmal B. Patel is currently holding the position of Whole Time Director of the company. He was appointed as a Director and Whole Time Director of the company by the Board its Meeting held on 29.07.2011 w.e.f. 29.07.2011 and 01.08.2011 respectively and his appointment was confirmed by the shareholders in the Annual General Meeting held on 30.09.2011 for the period of 5 Years and reappointed from time to time on 5 yearly basis pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013, the last appointment, being with effect from June 01, 2016, his appointment was confirmed by the shareholders at the AGM held on September 30, 2016.

He has been appointed to perform the duties as mentioned in the Board Resolution of appointment dtd.29.07.2011. As per the resolution he shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company. This includes performing duties as assigned by the Board from time to time, subject to compliance with the applicable provisions of the prevailing laws and regulations.

As he had been to Canada for his personal reasons since July, 2019 and he had not attended the office since then and had not performed day to day duties as entrusted on him as a Whole Time Director. The members issuing the special notice have come to know that he is in process of getting PR of Canada and had started his own business in the name of his wife over there and has no plan to return India in near future and to perform the duties that are bound to be performed as Director / Whole Time Director. Further, he had failed to make any contribution to the efforts to turn around the fortunes of Minaxi Textiles in these unprecedented times of Covid-19.

In accordance with Sub-Section (3) of Section 169 of the Act, a copy of the said Notice has been sent to Shri Nirmal. B Patel. Section 169(4) of the Companies Act, 2013, provides a right for the said Director ought to be removed to make a representation to the Members in the manner stated therein. A copy of the representation if any, made by him will be issued / dispatched to the members in due course of time.

The Board of Directors of the Company clarify that a copy of the Special Notice issued by the members is being sent along with this Notice with a view to provide the relevant background concerning Item No.9 set out in the Notice of Special business to be transacted at the AGM. A copy of this Special Notice is annexed hereto as **Annexure-C**.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in Item set out in the Notice except Shri Nirmal B. Patel and Shri Bharatbhai P. Patel, Director being father of Shri Nirmal P. Patel. Further, Shri Dineshkumar P. Patel, Managing Director and Shri Kiritkumar S. Patel, Whole Time Director being the members proposing the resolution for removal of Shri Nirmal B. Patel from the post of Director.

#### **Regd. Office :**

**Plot No. 3311, GIDC, Phase-IV, Chhatral  
Taluka Kalol, Dist. Gandhinagar(N.G)-382729  
Gujarat**

**Date : 23/10/2020**

**By Order of the Board  
For, Minaxi Textiles Ltd**

**Priyanka M. Patel  
Company Secretary**

**ANNEXURE - B TO THE NOTICE**

Notes on Directors seeking appointment / re-appointment at the annual general meeting as required under the Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

**Item No 2 and 6**

Name	Shri Dineshkumar P. Patel
Qualification	Diploma in Civil Engineering
Experience	27 years of experience in the varied business activities
Other directorship	None
Chairperson / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	88,00,435 Equity Shares of `1 each
Disclosure of the relationships	Ms. Sweta B. Patel is daughter in law of Shri Dineshkumar P. Patel.

**Item No 3**

Name	Shri Kiritkumar S. Patel
Qualification	Diploma in Civil Engineering
Experience	33 years of experience in the varied business activities
Other directorship	One
Chairperson / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	88,00,434 Equity Shares of `1 each
Disclosure of the relationships	Shri. Kiritkumar S. Patel is brother in law of Shri. Bharatbhai P. Patel, Director and Maternal Uncle of Shri Nirmal Patel, Whole Time Director of the Company.

**Item No 4**

Name	Shri Bhavikkumar R Patel
Qualification	Under Graduate in commerce stream
Experience	Having 7 years experience in field of trading.
Other directorship	None
Chairperson / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	None
Disclosure of the relationships	Shri. Bhavikkumar R Patel is not, in any way, concerned / interested / related with any of the other directors of the company

**Item No 5**

Name	Ms Sweta B Patel
Qualification	Graduation in Pharmacy
Experience	Housewife
Other directorship	None
Chairperson / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	None
Disclosure of the relationships	Shri. Dineshkumar P. Patel, Managing Director is father in law of Ms. Sweta B. Patel.



**Item No 7**

Name	Shri Snehalkumar R. Patel
Qualification	M. Tech (Electrical)
Experience	10 years of experience in the varied business activities
Other directorship	One
Chairperson / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	1300 Equity Shares of `1 each
Disclosure of the relationships	Shri Snehalkumar Patel is not, in any way, concerned / interested / related with any of the other directors of the company

**Item No 8**

Name	Shri Chirag Nalinbhai Shah
Qualification	B.E.Civil
Experience	15 years of experience in the constructions and building field
Other directorship	None
Chairperson / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	None
Disclosure of the relationships	Shri Chirag Nalinbhai Shah is not, in any way, concerned / interested / related with any of the other directors of the company

**ANNEXURE - C TO THE NOTICE**

**From :**  
**Kiritkumar Shambhubhai Patel**  
**Dineshkumar P. Patel**  
**Shareholders**  
**Minaxi Textiles Limited.**

**Date : 12/10/2020**

**To,**  
**The Board of Directors,**  
**Minaxi Textiles Limited**  
Plot No. 3311, G.I.D.C. Phase IV,  
Chhatral, Tal. Kalol  
Chhatral GJ 38272

**SUB : SPECIAL NOTICE UNDER SECTION 169(2) OF THE COMPANIES ACT, 2013 FOR REMOVAL OF THE DIRECTOR**

Dear Sirs,

In accordance with the provisions of Section 169 read with Section 115 of the Companies Act, 2013, we, Kiritkumar S. Patel and Dineshkumar P. Patel, members of the Company **Minaxi Textiles Limited** holding 17600869 Equity shares of Rs.1/- each collectively (being 35.62% of the total paid up share capital), hereby give you a 'Special Notice' that at the ensuing annual general meeting of the company we intend to move the resolution for removal of Mr. Nirmal B. Patel as Director of the Company as an ordinary resolution.

Mr. Nirmal Patel currently holding the position of Whole Time Director of the company. He had been appointed as a Director w.e.f. 29.07.2011 and Whole Time Director w.e.f.01.08.2011 vide Board Meeting dtd.29.07.2011 and his appointment was confirmed by shareholders in the Annual General Meeting held on 30/09/2011 for the period of 5 Years and reappointed from time to time on 5 yearly basis pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013, the last appointment, being with effect from June 01, 2016, his appointment was confirmed by the shareholders at the AGM held on September 30, 2016.

He had been appointed to perform the duties as mentioned in the Board Resolution of appointment dtd.29.07.2011 and 27.05.2016. As per the resolution he should devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company. This includes performing duties as assigned by the Board from time to time, subject to compliance with the applicable provisions of the prevailing laws and regulations.

As he had been to Canada for his personal reasons since July, 2019 and he had not attended the office since then and had not performed day to day duties as entrusted on him as a Whole Time Director. We have come to know that he is in process of getting PR of Canada and had started his own business in the name of his wife over there and has no plan to return India in near future and to perform the duties that are bound to be performed as Director / Whole Time Director. Further, he had failed to make any contribution to the efforts to turn around the fortunes of Minaxi Textiles in these unprecedented times of Covid-19.

We intended to remove him from the post / office of Director by issuing this Special notice under section 115 read with section 169 of the Companies Act, 2013.

The following resolution be moved in the ensuing Annual General Meeting to be held for the financial year ending on 31.03.2020.

**"RESOLVED THAT** pursuant to Section 115 read with section 169 of the Companies Act, 2013, Mr. Nirmal B. Patel (DIN: 03584745) be and is hereby removed from the post / office of Director of the Company with effect from ensuing Annual General Meeting."

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

Yours faithfully,

**Kiritkumar S. Patel**  
**Member / Whole Time Director**  
**Shares held : 8800434**  
Folio Nos.IN30034310159144  
1202300000857307  
1203320007851026

**Dineshkumar P. Patel**  
**Member / Managing Director**  
**Shares held : 8800435**  
Folio No. IN30034310159169  
1202300000857423  
1203320007851030

## REPORT OF BOARD OF DIRECTORS

**To,  
The Members,  
Minaxi Textiles Ltd**

Your directors have pleasure in presenting herewith their 25<sup>th</sup> Annual Report together with the Audited Statements of Accounts for the period ended on 31<sup>st</sup> March, 2020.

### FINANCIAL HIGHLIGHTS :

	Particulars	Year Ended on 31-03-2020	Year Ended on 31-03-2019
(a)	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	<b>28,768,382</b>	<b>51,735,908</b>
(b)	Finance Cost	21,941,702	31,310,204
(c)	Depreciation and amortization expenses	6,655,615	18,827,554
(d)	Profit Before Tax	171,065	15,98,150
(e)	Tax Expenses		
	(a) Current Tax	1,85,338	1,986,729
	(b) Deferred Tax	(1,199,832)	(20,02,091)
(f)	<b>Profit for the year</b>	<b>1,185,559</b>	<b>1,613,512</b>
(g)	<b>Other Comprehensive income:</b>		
	(i) Item that will not be reclassified to profit or loss	4,26,765	(6,14,864)
	(ii) Remeasurement of defined benefit plans.		
	(iii) Income tax relating to items that will not be reclassified to profit or loss	(97,644)	1,59,865
(h)	<b>Total Comprehensive income for the year:</b>	<b>856,438</b>	<b>2,068,512</b>

### OPERATING AND FINANCIAL PERFORMANCE AND FUTURE OUTLOOK :

During the year under report, the company has posted a gross turnover of Rs. 1672.24 Lacs resulted and net profit of Rs. 11.86 Lacs. In view of overall subdued market conditions, our company has tried their best to perform well during the year under review.

In the last month of Financial year 2019- 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. Due to lockdown continues, the company's operations are being decreased.

The company has resumed its operations from 1<sup>st</sup> June, 2020. Well-being of its employees being utmost importance, the company has put in place requisite safety measures for employees working at unit which have resumed its operations which are in accordance with the guidelines issued by the Government of India and State Governments to help fight of spread of COVID -19 pandemic.

While the Company is presently running its business, the future impact on the Company's operations because of COVID -19 pandemic cannot be quantified with the certainty at this stage and the same will depend on when the entire lockdown restrictions are removed and how market recovers. The Company's liquidity is affected on account of cash crunch. However, the adequate banking limits are being in place to combat the liquidity positions in near future. Supply chains were disrupted in the initial period of the lockdown restrictions. However, it will return to normalcy with relaxations in the restrictions.

### DIVIDEND :

Your directors do not recommend any dividend for the financial year ended on 31<sup>st</sup> March, 2020 and decided to plug in the profit in the business.

### CHANGE IN NATURE OF BUSINESS, IF ANY :

There is no change in the nature of the business of the company during the year under review.

### ORDER OF COURTS ETC., IF ANY :

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and company's operations in future.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY :

There has been a major impact on the demand for the Company's products. The Company is facing problem to fulfill demands of its customers in a timely manner due to labour problems on account of COVID-19 pandemic. The Company is hoping to

fulfill its obligations and also does not foresee any significant impact on the business due to non-fulfillment of the obligations by any party. There were no other material changes and commitments affecting the financial position of the company occurring between March 31, 2020 and the date of this report of the directors.

**INFORMATION ABOUT SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANY :**

The company has no subsidiaries or associate companies therefore disclosures in this regards are not provided in this report.

**TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(j) OF THE COMPANIES ACT, 2013 :**

Your company has earned profit of '11.86 Lacs and Comprehensive income of '(3.29) Lac which has been transferred to Profit and Loss Account. For the financial year ended on 31<sup>st</sup> March, 2020, the company is not going to carry any amount to general reserve account.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unclaimed and unpaid Dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) :**

**(Criteria prescribed under section 135 is not attracted)**

Every Company is required to constitute / formulate CSR Committee if it gets attracted in one of the criteria prescribed in Section 135. According to Section 135 of the Companies Act, 2013, every Company having Net Worth of Rs.500 Crore or more, or Turnover of Rs.1000 Crore or more, or Net Profit of Rs.5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee and should undertake Corporate Social Responsibility as prescribed in Schedule VII.

None of the above criteria was applicable to the company for the financial year 2019-2020 and hence the company was not required to constitute CSR Committee.

**FINANCE :**

The Company is at present enjoying secured financial assistance in the form of working capital facilities and term loan from Bank of India, Main Branch, Bhadra, Ahmedabad. During the year under review, the company regularly paid the principal and interest to the Bank. The company has not committed any default in repayment of any of its debts or interest payable thereon during the preceding financial year.

**PUBLIC DEPOSIT :**

The Company has neither accepted nor invited any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**CONSERVATION OF ENERGY :**

The information relating to conservation of Energy as required under section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given by way of annexure attached hereto which forms part of this report. **(Annexure – I)**

**CONSERVATION OF TECHNOLOGY ABSORPTION :**

The information relating to conservation of Technology Absorption as required under section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given by way of annexure attached hereto which forms part of this report. **(Annexure – I)**

**CONSERVATION OF FOREIGN EXCHANGE EARNINGS / OUTGO :**

The information relating to conservation of Foreign Exchange Earning / Outgo as required under section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given by way of annexure attached hereto which forms part of this report. **(Annexure – I)**

**PARTICULARS OF EMPLOYEES :**

The prescribed particulars of Employees required under section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached hereto which forms part of this report. **(Annexure – II)**

During the year under review none of the top ten employees of the company was in receipt of remuneration in excess of Rupees One Crore and Two Lac Rupees, if employed through out the year or in receipt of remuneration exceeding Rupees Eight Lac Fifty Thousand p.m., if employed for part of the financial year, and hence the disclosure under section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

**CORPORATE GOVERNANCE : (Certain SEBI Listing Regulations are not applicable to the company)**

The compliance with the Corporate Governance provisions as specified in the Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C,D and E of Schedule V of SEBI (Listing Regulations), 2015 are not applicable

to the companies having Paid up Share Capital not exceeding Rs.10 Crores and Net Worth not exceeding Rs.25 Crore, as on the last day of previous year. According to these regulations your company is not mandatorily required to comply with the provisions of these regulations, for the time being as the Paid up Share Capital of the company is not exceeding Rs.10 Crores and the Net Worth is not exceeding Rs.25 Crores, as on the last day of the previous year, however, the company has made all possible efforts to comply with the provisions of these regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, during the year under review.

In order to avail the exemption to comply with the provisions of Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), read with Regulation 15(2) of Chapter IV of Listing Regulations, as the last year company had submitted the Certificate for Non- Applicability of Corporate Governance Report to the BSE. Further, In continuity of Non-Applicability, the company had submitted the Certificate for Non- Applicability of Corporate Governance Report to the BSE on 20.06.2020 for the year 2020-2021.

#### **BOARD OF DIRECTORS :**

The Company has a very balanced composition of Board of Directors. As on date, the Company has Ten (10) directors with an Executive Chairman on its Board. Out of these 4 (Four), (40%) whole time / executive directors and 1 (One) (10%) Promoter and non-executive and 5 (Five), (50%) non-executive / independent directors. All Non-Executive & Independent Directors actively participate in the Board and Committee Meetings which is a great value addition in the decision making process.

The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013. The Board of Directors in its meeting held on 30.07.2020 has appointed Shri Bhavikkumar Patel, Independent Director for second term of five years w.e.f. 12.08.2020 subject to the approval of shareholders.

During the year the company has appointed Shri. Dineshkumar P. Patel as Managing Director. Shri. Bharatbhai P. Patel has resigned as Managing Director and continue to act as a Director, Shri. Kiritbhai S. Patel as Chairman & whole time director of the company and Ms. Sweta Patel appointed as Non executive director due to resignation of Smt. Manjulaben Patel. In accordance with provisions of Section 152(6)(a) of the Companies Act, 2013, Shri Dineshkumar P. Patel and Shri Kiritkumar S. Patel retires by rotation and being eligible offers themselves for re-appointment.

#### **Board Evaluation and Criteria:**

Pursuant to the provisions of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees. The Board has carried out an annual performance evaluation of its own performance of the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholder Relationship Committees. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

#### **Remuneration Policy :**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178(3) of the Companies Act, 2013, is available on our website, at <https://www.minaxitextiles.com/pdf/Corporate%20Policies%20and%20Codes/Policy%20on%20remuneration%20of%20Directors%20KMP%20and%20Senior%20Employees.pdf>.

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company. The Board of Directors at its meeting held on 27.05.2019 has resolved to waive the remuneration of Managing Director and Whole Time Directors, until resolved otherwise.

#### **Reclassification :**

During the year, company had received the request from Shri Sujalbhai K. Patel, Shareholder of the company seeking reclassification as public shareholder. In this regards the company had made application to BSE under Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the requisite documents for re-classification from 'Promoter Category' to 'Public category'. The BSE has approved and classified Shri Sujalbhai K. Patel as a 'Public shareholder' as on 29<sup>th</sup> October, 2019.

#### **Inter se transfer :**

On receipt of intimation from promoters regarding inter-se transfer amongst promoters, the Company has submitted the same along with declaration required under Regulation 10(5) to BSE. Shri.Bharatbhai P. Patel has transferred 89,77,834 shares amongst the promoters Shri. Dineshbhai P. Patel 43,40,374 shares and Shri. Kiritbhai P. Patel 43,37,460 shares respectively during the year.

**Board Meetings :**

Regular meetings of the Board are held inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses.

During the FY 2019-20, the Board met Eight (8) times i.e. on 08<sup>th</sup> May, 2019, 27<sup>th</sup> May, 2019, 10<sup>th</sup> June, 2019, 12<sup>th</sup> August, 2019, 30<sup>th</sup> September, 2019, 12<sup>th</sup> October, 2019, 12<sup>th</sup> November, 2019, and 12<sup>th</sup> February, 2020. The Company has held at least one Board meeting every quarter and the maximum time gap between any two meetings was not more than 120 days.

The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda.

**Independent Director's Meeting**

A Separate meeting of Independent Directors held on 12<sup>th</sup> February, 2020 without the attendance of Non-Independent Directors and members of the Management. In the said meeting, Independent Directors reviewed the followings:

- a) Performance evaluation of Non Independent Directors and Board of Directors as a whole;
- b) Performance evaluation of the Chairperson of the Company taking into account the views of executive directors and non-executive directors;
- c) Evaluation of the quality, quantity and timelines of flow of information between the Management and Board of Directors for effective and reasonable performance of their duties.

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

**Declaration of Independence from Independent Directors:**

The Independent Directors have submitted the declaration of their Independence as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) of that section. The Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

**Independent Director databank registration**

On 22<sup>nd</sup> October 2019, Ministry of Corporate Affairs (MCA) issued the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 and also amended the Companies (Appointment and Qualification of Directors) Rules, 2014. These rules came into force on 1<sup>st</sup> December 2019. These rules made it mandatory for independent directors of Indian Companies to get registered with a central database i.e. Independent Directors Databank, and to qualify an online proficiency self-assessment test. However, an exemption from the requirement of passing the said test is also there.

Accordingly, all Independent Directors of the company have completed the registration with the Independent Directors Databank. In this regard, requisite disclosures have been received from all Independent Directors. Further, all Independent Directors except Shri Bhavikkumar R. Patel are exempted from giving proficiency self-assessment test.

**Internal Control System and Internal Financial Control systems and their adequacy:**

The company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls.

The Directors are responsible for laying down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is part of this report.

**COMMITTEES:**

Your Company has several Committees which have been established as part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

1. Audit Committee,
2. Nomination and Remuneration committee,
3. Stakeholders and Relationship Committee and
4. Internal Complaints Committee.



**Audit Committee:**

The Board of directors of the company at its meeting held on 12<sup>th</sup> August, 2015 has reconstituted an Audit Committee, in line with Section 177 of the Companies Act, 2013, comprising four Directors viz. Shri. Jasvant K. Patel, Chairman (having financial and accounting knowledge), Shri. Vasudevbbhai L. Patel, Shri. Ghanshyambhai C. Patel and Shri. Bharatbbhai P. Patel.

The Committee periodically discussed the Financial Reporting process, reviewed the Financial Statements, and discussed the quality of the applied accounting principles and significant judgment that affected the Company's Financial Statements. Apart from presenting the audited accounts to the members of the Board, the Audit Committee recommended the appointment of the statutory auditors, secretarial auditor and internal auditor, subject to the Board's approval. The audit Committee reviewed with adequacy of internal control systems with the management, statutory and internal auditors.

The Committee met 5 (Five) times during the year 2019-2020. The dates on which the Audit Committee meetings were held are 27/05/2019, 10/06/2019, 12/08/2019, 12/11/2019 and 12/02/2020. The maximum time gap between any two meetings was not more than 120 days. Members of the Audit Committee have requisite financial and management expertise. Shri. Jasvant K. Patel has, being a Chairman of the Audit Committee, attended the last Annual General Meeting held on 27<sup>th</sup> September, 2019.

**Attendance of each Member of Audit Committee meetings held during the year ended on 31<sup>st</sup> March, 2020:**

Name of Directors	Category	Status / Designation	No. of Meeting attended
Shri. Jasvant K. Patel	Non-executive / Independent	Chairman	5
Shri. Vasudevbbhai L. Patel	Non-executive / Independent	Member	5
Shri. Ghanshyambhai C. Patel	Non-executive / Independent	Member	5
Shri Bharatbbhai P. Patel	Managing Director	Member	5

**Nomination and Remuneration Committee (NRC) :**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, every listed company and prescribed class of companies shall constitute Nomination and Remuneration Committee (NRC) of the Board consisting of 3 or more non-executive directors out of which not less than ½ shall be independent director.

In view of the above provision of law, the Board of Directors at its meeting held on 30<sup>th</sup> May, 2014 has constituted NRC committee and Re-constituted the same vide its meeting held on 12<sup>th</sup> August, 2015 which was again reconstituted on 12<sup>th</sup> November, 2016 and on 13<sup>th</sup> August, 2018. It was further reconstituted on 12<sup>th</sup> February, 2020 consisting of Shri Vasudevbbhai L. Patel, Chairman of the Committee/ Independent Director, Shri. Bhavikkumar Patel, Shri Jasvant Patel, Independent Directors and Shri Kiritkumar S. Patel, Chairperson and Whole Time Director of the company, as member of the committee.

The Committee met 2 (Two) times during the year 2019-2020. The dates on which the Nomination and Remuneration Committee meetings were held on 12/11/2019 and 12/02/2020.

The Board vide its meeting held on 13.08.2018 has revised the terms of reference. The powers (terms of reference) delegated to the committee are as under :

- A. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- B. To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- C. To devise a policy on diversity of board of directors;
- D. To identify 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 of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance .
- E. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

While formulating the policy the committee shall ensure that –

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and

- c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

F. To ensure that the remuneration policy formulated by the committee be disclosed in the Board's Report

**Attendance of each Member of Nomination and Remuneration Committee meetings held during the year ended on 31<sup>st</sup> March, 2020:**

Name of Directors	Category	Status / Designation	No. of Meeting attended
Shri. Bhavikkumar Patel	Non-executive/ Independent	Member	2
Shri. Jasvant K. Patel	Non-executive/ Independent	Member	2
Shri Dineshkumar P. Patel	Managing Director	Member	2
Shri. Vasudevabhai L. Patel	Chairman and Non-executive/ Independent	Chairman	2

**Stakeholders Relationship Committee**

The Board has re-constituted the Shareholders and Investors Grievance Committee vide resolution passed in its Meeting held on 29/07/2011. According to Section 177, the company is required to constitute a Stakeholders Relationship Committee consisting of a Chairman who shall be a non executive director and such other members as may be decided by the Board.

In view of the above provision, the company has altered the nomenclature of the Shareholders and Investors Grievance Committee to Stakeholders Relationship Committee. Further, the membership of the company has also changed in light of the above provisions vide its Board Meeting held on 30/05/2014. It was further reconstituted on 13/08/2018. The Stake holders Relationship committee consists of Shri. Bhavikkumar Patel, Chairman of the Committee/ Independent Director, Shri Bharatbhai P. Patel, Shri Dineshkumar P. Patel and Shri Nirmal B. Patel, as members of the committee.

CS Priyanka M. Patel has been designated as the Compliance Officer. As required by Regulation 46(2)(j) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has designated the below cited email ID of the grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors. E-Mail ID is [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com)

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL and outstanding complaints as on 31<sup>st</sup> March, 2020 was NIL. None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31<sup>st</sup> March, 2020.

During the year the Stakeholders Relationship Committee were held on 15/05/2019, 27/05/2019, 22/06/2019, 12/08/2019, 12/11/2019 and 12/02/2020.

**Attendance of each Member of Stakeholder Relationship Committee meetings held during the year ended on 31<sup>st</sup> March, 2020 :**

Name of Directors	Category	Status / Designation	No. of Meeting attended
Shri. Bhavikkumar R. Patel	Non-executive / Independent	Chairman	6
Shri. Bharatbhai P. Patel	Executive and Managing Director	Member	6
Shri. Nirmal B. Patel	Executive and Whole Time Director	Member	3
Shri Dineshkumar P. Patel	Chairman and Whole Time Director	Member	6

**Disclosure under the Sexual Harrassment of Women 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 Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The company has constituted Internal Complaints Committee (ICC) vide its Board Meeting held on 11<sup>th</sup> February, 2015. Further committee has been reconstitute on 12.11.19 because of resignation of Manjulaben Patel due to Personal reason. The committee has been reconstituted consisting of Shri Bharatbhai P. Patel, Ms. Sweta Patel and Shri. Dineshkumar P. Patel under the chairmanship of Shri Dineshkumar P. Patel, Managing Director to redress complaints received regarding sexual harassment. Ms. Sweta Patel & Shri. Bharatbhai P. Patel are the other members of the committee. 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.

- No. of complaints received. - NIL
- No. of complaints disposed off – Not Applicable.

#### **CODE OF INDEPENDENT DIRECTORS – SCHEDULE IV :**

The Board has considered Code of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013. The code is a guide to professional conduct for independent directors adherence to these standards by independent directors and fulfillment of their responsibility in a professional and faithful manner will promote confidence of the investment community and regulators.

The broad items for code for independent directors are :

- (i) Guidelines for Professional conduct.
- (ii) Role and Functions.
- (iii) Duties
- (iv) Manner and process of appointment.
- (v) Re-appointment on the basis of report of performance evaluation.
- (vi) Resignation or Removal.
- (vii) Atleast one Separate meeting of Independent Directors in a year without attendance of non independent directors or members of management.
- (viii) Evaluation mechanism of Independent Directors by entire Board of Directors.

The Terms and conditions for appointment of Independent Directors is posted on the website of the company. The Code of Independent Director as per Schedule IV of the Companies Act, 2013 is forming part of the Code of conduct of the company.

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

The Company has adopted a Whistle Blower Policy pursuant to the requirements of the Companies Act, 2013 and the SEBI Regulations, 2015 to deal with unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases. The policy was revised with effect from 1<sup>st</sup> April, 2019. The details of the Policy is also posted on the website of the Company.

#### **CODE OF PRACTICES AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI) :**

The Company has amended the policy with effect from 01.04.2020. The Board of Directors of Company shall inquiry in case of leak of Unpublished Price Sensitive Information(UPSI) or suspected leak of Unpublished Price Sensitive Information(UPSI). The company will inform simultaneously to SEBI of such leaks, inquiries and results of such inquiries. The details of the Policy is also posted on the website of the Company <https://www.minaxitextiles.com/investor-relations/corporate-policies-and-codes>

#### **CODE OF CONDUCT:**

The Company has formulated and implemented Code of Conduct for all Board members and Senior Management of the Company and the same is posted on the website of the Company. The company has received the declaration of all the Directors and Senior Management affirming the compliance with the Code of Conduct of the Company.

#### **CEO / MD AND CFO CERTIFICATION :**

The compliance with the Corporate Governance provisions as specified in the Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C,D and E of Schedule V of SEBI (Listing Regulations), 2015 are not applicable to the companies having Paid up Share Capital not exceeding Rs.10 Crores and Net Worth not exceeding Rs.25 Crore, as on the last day of previous year. According to these regulations your company is not mandatorily required to comply with the provisions of these regulations, for the time being as the Paid up Share Capital of the company is not exceeding Rs.10 Crores and the Net Worth is not exceeding Rs.25 Crores, as on the last day of the previous year, however, the company has made all possible efforts to comply with the provisions of these regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, during the year under review. The company has availed the exemption from compliance of this provisions and hence it is not required to obtain the annual Certificate from Managing Director and Chief Financial Officer of the company regarding certification on financial reporting and internal controls to the Board in terms of Regulation 17(8).

**FAMILIARIZATION PROGRAMME :**

The Board members of Minaxi Textiles Limited (Independent and Non-Independent) are offered every opportunity to familiarize themselves with the Company, its management and its operations and above all the Industry perspective and issues. They are made to interact with senior management personnel and are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part. The note on Familiarization Programme has been posted on the website of the company.

The independent Directors are provided with necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company undertook various steps to make the Independent Directors have full understanding about the Company.

**STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

There is a continuous process for identifying, evaluating and managing significant risks as faced through a risk management process designed to identify the key risks facing each business.

The role of insurance and other measures used in managing risks is also reviewed. Risks would include significant weakening in demand from core-end markets, end market cyclicality, inflation certainties, energy cost and shortage of raw materials, maintenance and protection of leading technologies and adverse regulatory developments. During the year under review no major risks were noticed. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. Audit Committee and Board Members are reviewing and updating the said procedures and plans periodically.

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Schedule V(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report. **(Annexure – III)**

**AUDITORS :****Statutory Auditor :**

At the 24<sup>th</sup> AGM held on 27<sup>th</sup> September, 2019 the members approved appointment of M/s. Manghani and Co., Chartered Accountants, Ahmadabad (FRN - 022372C), as statutory auditor of the company to hold office for a period of five years from the conclusion of 24<sup>th</sup> AGM till the conclusion of 29<sup>th</sup> AGM. He has confirmed that he is not disqualified from continuing as statutory Auditors of the company. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the AGM.

**Auditors Report :**

The comments in the Auditors Report with Notes on Accounts referred to the Auditor's Report are self explanatory and, therefore do not call for any further explanation.

**Secretarial Auditor :**

The Board has considered the recommendation of Audit Committee regarding appointment of Secretarial Auditor and necessity of Secretarial Audit Report as mandate for every listed company in Section 204 of the Act, and has appointed M/s. Ashok P. Pathak & Co., Company Secretaries, Ahmedabad as Secretarial Auditor for the financial year 2020 -2021. The Company has received consent from M/s. Ashok P. Pathak & Co., Company Secretaries to act as the auditor for conducting audit of the secretarial records for the financial year ending 31<sup>st</sup> March, 2021.

**Secretarial Audit Report :**

The Secretarial Audit Report for the financial year ended on 31<sup>st</sup> March, 2020 in Form MR-3 is annexed herein and forming part of the Board Report **(Annexure IV)**.

**Internal Auditor :**

The Board has considered the recommendation of Audit Committee regarding appointment and necessity of Internal Auditor as mandate for every listed company in Section 138 of the Act, and has appointed M/s. Archit B. Shah & Associates, Chartered Accountants, Ahmedabad as Internal Auditor for the financial year 2020 -2021. The Internal Auditor's reports and their findings on the internal audit, has been reviewed by the Audit Committee on a quarterly basis. The scope of internal audit is also reviewed and approved by the Audit Committee.

**EXTRACT OF ANNUAL RETURN :**

The extracts of Annual Return pursuant to the provisions of sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure V** to this Report.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The company has not made any Loans and investments, and have not given any guarantees or provided any securities covered under section 186 of the Companies Act, 2013.

**LISTING :**

The equity shares of the company are listed in the Bombay Stock Exchange Limited which has the connectivity in most of the cities across the country.

**DEMATERIALISATION OF EQUITY SHARES :**

As per direction of the SEBI and the Bombay Stock Exchange Limited, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e. **National Securities Depository Limited** [NSDL] and **Central Depository Services India Limited** [CDSL] and the demat activation number allotted to the Company is ISIN : INE952C01028. Presently shares are held in electronic and physical mode (76.94% of shares in demat, 3.02% in physical mode, 1,23,84,000 Shares are forfeited in earlier year.)

**INDUSTRIAL RELATIONS :**

The directors are happy to note that the industrial relations continued to remain cordial during the year. The directors express their appreciation towards the workers, staffs and executive staffs for their coordination, co-operation and hope for a continued harmonious relations.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 with respect to Director's Responsibilities Statement, it is hereby confirmed :

- (i) that in the preparation of the Annual Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any;
- (ii) that the Director had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the Financial Year and of the Profit or Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the 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;
- (iv) that the Directors had prepared the accounts for the Financial Year ended 31<sup>st</sup> March, 2020, on a going concern basis.
- (v) that the internal financial controls laid down by the company are adequate and were operating effectively.
- (vi) that the directors had devised proper systems to ensure compliances with the provisions of all applicable laws and that such system were adequate and operating effectively.

**RELATED PARTY TRANSACTIONS :**

The company has not entered into any contract / agreement with Related Parties and have no transactions with Related Parties during the year under review. There are no materially significant related party transactions i.e. transactions of material nature, with promoters, the directors or the management or their relatives etc. that may have potential conflicts with the interests of the company at large in the financial year 2019-2020.

**GENERAL DISCLOSURE :****i) System Driven Disclosures in Securities Market.**

The company has appointed Central Depository Services Limited (CDSL) as Designated Depository for the purpose of System Driven Disclosures in Securities Market pursuant to Circular No. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated May 28, 2018.

**ii) Foreign Investment Monitoring**

The company has provided information of shares held by FPI and NRIs and other foreign investors (Repatriable) to CDSL pursuant to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 05, 2018.

**iii) Issue of Equity Shares with differential rights as to dividend, voting or otherwise.**

During the year 2019-2020, the Company has not issued any of Equity Shares with differential rights as to dividend, voting or otherwise.

**iv) Issue of shares (including sweat equity shares) to employees of the Company under any scheme and ESOS.**

During the year, the Company has not issued any shares under Employee Stock Option Scheme.

**v) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which could impact the going concern status and the Company's future operations.

**vi) Disclosure of Secretarial Standards**

Secretarial Standards issued by the Institute of Company Secretaries of India as applicable to the Company were followed and complied with during 2019-20. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**vii) Suspension of Securities of the Company**

The securities of the Company have not been suspended from trading in the Bombay Stock Exchange.

**viii) Reconciliation of Share Capital Audit**

The Reconciliation of Share Capital Audit of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 reconciling the total shares held in both the depositories, viz NSDL and CDSL and in physical form with the total issued / paid-up capital of the Company were placed before the Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

**ix) The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015 subject to the observations in secretarial audit report.**

**ACKNOWLEDGMENT :**

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

**ANNEXURES FORMING A PART OF THIS REPORT OF THE DIRECTORS :**

The Annexure referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors :

Annexure	Particulars
I	Particulars of Conversion of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
II	Particulars of Employees pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Managerial Remuneration) Rules, 2014.
III	Management Discussion and Analysis Report
IV	Secretarial Audit Report – Form MR -3
V	Extract of Annual Report in Form MGT 9

**Regd. Office :**

Plot No. 3311, GIDC, Phase-IV, Chhatral  
Taluka Kalol, Dist. Gandhinagar(N.G)-382729  
Gujarat

**On Behalf of the Board  
For, Minaxi Textiles Ltd**

**Dineshkumar P. Patel      Kiritkumar S. Patel**  
**Managing Director      Whole Time Director**  
**DIN : 02268757      DIN : 00372855**

**Date: 30/07/2020**



**ANNEXURE – I**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND  
FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

**A. CONSERVATION OF ENERGY :**

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption. All effective efforts have been put forth for reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

**B. TECHNOLOGY ABSORPTION :**

The Company is constantly engaged in developing and updating manufacturing processes of the existing products leading to reduction in process time and cost of production and also in developing new products. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign exchange outgo : As under

Foreign exchange earned. : As under

Particulars	2019-2020	2018-2019
<b>a. Foreign Exchange Earnings</b>	-	-
Export of goods calculated on FOB basis	-	-
Interest and dividend	-	-
Royalty	-	-
Know-how	-	-
Professional and consultation fees	-	-
Other income	-	-
<b>b. Foreign Exchange Expenditure</b>		-
Import of goods calculated on CIF basis	-	-
(i) Raw Material	-	-
(ii) Component and Spare Parts	6.82 Lacs	11.52 Lacs
(iii) Capital Goods	-	-
<b>Expenditure on Account of :</b>		
Royalty	-	-
Know-how	-	-
Professional and consultation fees	-	-
Interest	-	-
Other matters	-	-
Dividend Paid	-	-

**ANNEXURE – II**
**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

<b>Sr. No.</b>	<b>Requirements of Rule 5(1)</b>	<b>Details</b>
<b>I</b>	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Shri Bharatbhai P. Patel : 625 : 488.23 Shri Dineshkumar P. Patel : 4 : 4.8823 Shri Kiritkumar S Patel : 4 : 4.8823 Shri Nirmal B. Patel : 4 : 4.8823
<b>II</b>	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager, if any, in the financial year;	There was no increase in the remuneration of the KMP during the financial year.
<b>III</b>	The percentage increase in the median remuneration of employees in the financial year	Negligible
<b>IV</b>	The number of permanent employees on the rolls of company;	34 Employees as on 31 <sup>st</sup> March, 2020.
<b>V</b>	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There were no substantial increase in the salaries of employees and there is no increase in remuneration of managerial personnel in the financial year.
<b>VI</b>	Affirmation that the remuneration is as per the remuneration policy of the company	Remuneration paid during the year ended on 31 <sup>st</sup> March, 2020 is as per the remuneration policy of the company and according to the resolution passed by the shareholders.

**ANNEXURE – III**
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
**I. BUSINESS HIGHLIGHTS AND FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :**
**Turnover :**

Minaxi Textiles Limited has achieved a turnover of ₹ 1672.24 in 2019-2020 as against ₹ 4437.59 Lac during the previous year.

**Other Income :**

Other income mainly consists of Interest Income. Other income for the year amounted to ₹ 4.47 Lac as against ₹ 9.72 Lac during the previous year.

**Material Costs :**

Purchase costs includes raw material consumption for the year was ₹ 959.44 Lac as against ₹ 2112.52 Lac during the previous year.

**Manufacturing Expenses :**

Purchase Cost also includes manufacturing expenses mainly comprises Power & Fuel ₹ 212.66 Lac, repairs & maintenance ₹ 4.52 Lac as against ₹ 950.80 Lac and ₹ 6.69 Lac respectively during the previous year.

**Employee Emoluments :**

Employees emoluments is ₹ 102.40 Lac during the year as against ₹ 139.93 Lac during the previous year.

**Administrative, Selling and Other Expenses :**

Major components of administrative, selling and other expenses include rent, postage, stationary, audit fees, traveling, commission on sales etc. Administrative, selling and other expenses for the year amounted to ₹ 50.88 Lac as against ₹ 52.46 Lac during the previous year. This expenses accounted for 3.04% of sales during the year as against 1.18% during the previous year.

**Interest and Finance Charges :**

Interest and finance charges during the year come to ₹ 219.42 Lac as against ₹ 313.10 Lac during the previous year.

**Depreciation :**

Depreciation charge for the current year came to ₹ 66.56 Lac as against ₹ 188.28 Lac during the previous year.

**Provision for Tax :**

Provision made during the year towards current tax was ₹ 1.85 Lac. The Company has also provided ₹ -11.73 Lac towards deferred tax during the year as against ₹ -20.02 Lac during the previous year.

**Profit / Loss after Tax :**

Profit after tax for the current year is ₹ 11.86 Lac as against Profit of ₹ 16.14 Lac occurred during the previous year.

**Earnings per Share :**

Basic and diluted earnings per share for the current year works out to ₹ 0.02 as against ₹ 0.03 during the previous year.

**Financial Condition :**
**Secured loans :**

Secured loans stood at ₹ 1560.28 Lac as at 31<sup>st</sup> March, 2020 as against ₹ 1615.46 Lac as at 31<sup>st</sup> March, 2019.

**Inventories :**

Major items of inventories as of 31<sup>st</sup> March, 2020 are as under :

(₹ in Lac)

Particulars	2019-2020	2018-2019
Raw Materials	479.72	292.21
Stores, spares etc.	7.10	4.58
Finished goods	1696.37	1642.44

**Debtors :**

Debtors as on 31<sup>st</sup> March, 2020 amounted to ₹ 813.14 Lac as against ₹ 1136.11 Lac during the previous year.

**Property, Plant & Equipments :**

Gross block of the fixed assets at the end of the year was ₹ 2463.41 compared to previous year's figure of ₹ 2501.39 Lac.

**II. SEGMENT WISE PERFORMANCE :**

Your company operates in only one segment i.e. Textiles. Your company has adopted various marketing strategies for sustained growth including increase in number of clients / customers to reduce the dependency on any single client / customer. At the plant level the operational focus has been to reduce overall costs, wastages and to improve machine efficiencies. We have met with good success on these fronts at our Textile Plant and numerous initiatives are planned along similar lines for the coming year. On the Market side, the Company continues expanding its distribution network in the domestic market.

**III. AN INDUSTRY OVERVIEW :**

The fundamental strength of Indian Textile Industry flows from its strong production base of wide range of fibers/yarns - from natural fibers like cotton, jute, silk and wool to synthetic/manmade fibers like polyester, viscose, nylon and acrylic. Government has been overall supportive in encouraging textile industry in India. Textiles and garment industry has been included in list of 25 sectors of 'Make in India' initiative of the Government of India. With the right Government policies, we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market.

There is likely contraction of 5 per cent in India's gross domestic product (GDP) in the current fiscal year to impact Micro, Small and Medium enterprises (MSMEs). Long constrained for liquidity, MSMEs now also have to cope with loss of demand, labour shortage and heightened risk aversion in the financial system due to the COVID – 19 Pandemic. All this will stretch there already strained financials. Accordingly, textiles sector would witness the highest impact on working capital in current year.

**IV. INDUSTRY STRUCTURE AND DEVELOPMENT:**

The company deals in suiting products having specialty in fancy suiting fabrics. As a value addition company deals in making of Lycra, a feature in all kind of suiting fabrics like Twill, Broken, Satin. The company have 37 Picanol Gamma Weaving Machines. The company has established with the customers over the years a relationship of trust and based on the true value the company create in customer's processes with unique technological product and service offerings.

The COVID-19 pandemic has disrupted demand and supply chains across industries, negatively impacting the business of companies. Governments in several countries have imposed lockdown in a bid to contain the spread of the disease. This in turn has forced companies to reconfigure how their employees work and how their business processes are supported and delivered. These events could cause companies to pause business process.

**V. SWOT ANALYSIS OF THE COMPANY :****Strength :**

- a. Management depth and ability to manage client relationships
- b. R & D capabilities to develop efficient and cost effective process at short notice having a State of the Art dedicated R & D Center
- c. Multi-purpose and multi-production facilities having Quality Certifications
- d. Enhanced presence in the market through clientele basis

**Opportunities and Threats :**

The textiles industry is subject to tough competition amongst various segments of manufactures within and outside the country. The threat of competition is comparatively less in the product which your company is manufacturing. The increase in demand from business sector in terms of job works will provide opportunity to your company to increase its sale and capture more market share. Moreover, Indian textiles industry witnessing changes in business dynamics.

**VI. RISKS AND CONCERNS :**

Your company is mainly focusing on R & D and manpower and the intelligence. Apart from the risk on account of interest rate and regulatory changes, business of the company are exposed to certain operating business risks, which is mitigated by regular monitoring and corrective actions. The company has taken necessary measures to safe guard its assets and interest etc.

**VII. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and to monitor internal business process, financial reporting an compliance with applicable laws. The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business. A qualified and independent committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

**VIII. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT :**

The Company believes that human resource is the most important assets of the organization. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year, your company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the company is to create culture and value system and behavioral skills to insure achievement of its short and long term objectives. The company has employed 34 persons by March, 2020.

**Cautionary Statement :**

Statement made in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

**ANNEXURE – IV****FORM NO. MR.3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020

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

To,  
The Members,  
**Minaxi Textiles Limited,**  
Plot No.3311, GIDC, Phase-IV,  
Chhatral, Taluka Kalol,  
Dist – Gandhinagar (N.G) - 382729.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Minaxi Textiles Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

**We report that,**

- a. 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.
- b. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of 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 follow provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- d. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- e. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
- f. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Based on our verification of the Minaxi Textiles Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020** 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 :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Minaxi Textiles Limited** (“the Company”) for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) \*Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, where applicable
  - (d) \*The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, **2009**; and
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The following are other laws specifically applicable to the company :

(a) Textiles (Development and Regulation) Order, 2001.

\* No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India which the Company has generally complied with.

We hereby report that during the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation(s) :

(a) Under the proviso to Clause (2)(a) of Regulation 33 of SEBI (LODR) Regulations, 2015 while placing the financial results before the Board of Directors, the Chief Executive Officer / MD and Chief Financial Officer shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading. The Financial Statements as placed before the Board of Directors for the quarter ended on June, 2019, September, 2019 and December, 2019 were not certified by the Chief Financial Officer.

**We 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 notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**We 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.

**We further report that** during the audit period

- a) As per shareholding pattern submitted to stock exchange under Regulation 31(1) of the SEBI (LODR) Regulations, 2015 for the quarter ended on 30.06.2019, Mr. Sujalbhai Kanubhai Patel, who is not associated with the company since long, holding 17000 equity shares (being 0.034% of the total paid up Share Capital of the Company) under the category promoter(s) in physical mode. The company is continuously pursuing the matter with him to get his shares dematerialized at the earliest to enable the company to comply with the provisions of sub-Regulation 31 of SEBI (LODR) Regulations, 2015. The company has received request on 07.05.2019 from Mr. Sujal Kanubhai Patel, Shareholder holding 95581 equity shares of Re.1/- each (being 0.19% of the total share capital of the company, including 17000 Equity shares held in physical mode) under category Promoter seeking reclassification to Public Category. The Board of Directors at its meeting held on 27.05.2019 has reviewed, analyzed and approved the reclassification. The Shareholders in the Annual General Meeting held on 27.09.2019 has approved the Reclassification of above shares and the approval of Bombay Stock Exchange Ltd. has been received by the company vide its letter dtd. 29.10.2019
- b) Mr. Kiritkumar Patel and Mr. Dineshkumar P. Patel, Promoters of the company has acquired 89,77,834 Equity Shares comprising of 18.17% of the paid up share capital of the company from Mr. Bharatbhai P. Patel other promoter of the company by way of Inter-se transfer through off market transaction in due compliance of Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- c) Company has intimated to BSE vide SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/841 dated 20th May, 2020 and with the requirement of Regulation 30 of the Listing Regulations, disclosure relating to the material impact of "COVID – 19" pandemic on the company on 24.07.2020 and informed the effect on Company's liquidity on account of cash crunch.

**Place : Ahmedabad**

**Date : 30/07/2020**

**For, Ashok P. Pathak & Co.**

**Company Secretaries**

**UCN : S1997GJ020700**

**Ashok P. Pathak**

**Proprietor**

**C P No.: 2662**

**PR : 492/2016**

**Unique Document Identification Number (UDIN) allotted by the Institute of Company Secretaries (ICSI) for this Secretarial Audit Report is A009939B000531823.**

\* Associate Member (ACS No. 9939) of the Institute of Company Secretaries of India, ICSI House, 22 Institutional Area, Lodhi Road, New Delhi-110003. website : [www.icsi.edu](http://www.icsi.edu)

\* Insolvency Professional (IP) registered with Insolvency and Bankruptcy Board of India (IBBI) (IP Registration No. IBBI/IPA-002/IP-N00329/2017- 18/10934).



**ANNEXURE - V**
**FORM NO. MGT.9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	<b>L17119GJ1995PLC025007</b>
ii)	Registration Date	<b>14.03.1995</b>
iii)	Name of the Company	<b>Minaxi Textiles Limited</b>
iv)	Category / Sub-Category of the Company	<b>Company limited by shares</b>
v)	Address of the Registered office and contact details	<b>Plot No.3311, GIDC, Phase-IV, Chhatral, Taluka Kalol, Chhatral- 382729.</b> <b>Ph. (027464) 234008</b> Email : <a href="mailto:minaxitx@yahoo.com">minaxitx@yahoo.com</a>
vi)	Whether listed company Yes / No	<b>Yes</b>
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd., <b>Branch Office :</b> 5 <sup>TH</sup> Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad – 380 006 Phone : 079-26465179/86/87 e-Mail – <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Weaving, Manufacture of Cotton and Cotton Mixture Fabrics	13121	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Not Applicable				
2					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
Individual/ HUF	18527088	17000	18544088	37.53	18448507	0	18448507	37.33	0.2
Central Govt	0	0	0	0	0	0	0	0	0
State Govt (s)	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks/FI	0	0	0	0	0	0	0	0	0
Any Other..	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	18527088	17000	18544088	37.53	18448507	0	18448507	37.33	0.2
<b>(2) Foreign</b>									
NRIs – Individuals	0	0	0	0	0	0	0	0	0
Other – Individuals	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks / FI	0	0	0	0	0	0	0	0	0
Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	18527088	17000	18544088	37.53	18448507	0	18448507	37.33	0.2
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	0	0	0	0	0	0	0	0	0
Banks/FI	0	0	0	0	0	0	0	0	0
Central Govt	0	0	0	0	0	0	0	0	0
State Govt(s)	0	0	0	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
FIs	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
Bodies Corp.									
Indian	1488100	0	1488100	3.01	1386700	0	1386700	2.81	0.2
Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	16463651	1849000	18312651	37.06	16160845	1845000	18005845	36.44	0.62
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	10016852	-	10016852	20.27	10461440	-	10461440	21.17	-0.9
Others Clearing Members and Foreign Individuals or NRI HUF	1029309	25000	1054309	2.13	1088508	25000	1113508	2.25	-0.12
<b>Sub-total (B)(2):-</b>	28997912	1874000	30871912	62.47	29097493	1870000	30967493	62.67	0.00
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	28997912	1874000	30871912	62.47	29097493	1870000	30967493	62.67	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>47525000</b>	<b>1891000</b>	<b>49416000</b>	<b>100.00</b>	<b>47546000</b>	<b>1870000</b>	<b>49416000</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Dineshkumar Patel	4460060	9.03	NIL	8800434	17.81	NIL	NIL
2	Kiritkumar Patel	4162975	8.42	NIL	8800435	17.81	NIL	NIL
3	Bharatbhai Prabhudas Patel*	8977834	18.17	NIL	NIL	NIL	NIL	NIL
4	Nirmal Bharatbhai Patel	847638	1.72	NIL	847638	1.72	NIL	NIL
5	Sujalbhai Kanubhai Patel **	95581	0.19	NIL	NIL	NIL	NIL	NIL
	<b>TOTAL</b>	<b>18544088</b>	<b>37.53</b>	<b>NIL</b>	<b>18448507</b>	<b>37.34</b>	<b>NIL</b>	<b>NIL</b>

\*Shri Kiritkumar Patel and Shri Dineshkumar P. Patel, Promoters of the company has acquired 89,77,834 Equity Shares comprising of 18.17% of the paid up share capital of the company from Mr. Bharatbhai P. Patel other promoter of the company by way of Inter-se transfer through off market transaction in due compliance of Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

\*\*During the year, on application made to BSE, Shri Sujalbhai K. Patel has been Re-classified as a 'Public shareholder' as on 29<sup>th</sup> October, 2019.

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.		Date of Purchase/ Sale of shares	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Dineshkumar P. Patel</b>					
	At the beginning of the year		4460060	9.03		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	14.02.20 17.02.20	32499 4307875	0.06 8.72	4492559 8800434	9.09 17.81
	At the End of the year				8800434	17.81
2	<b>Kiritkumar S. Patel</b>					
	At the beginning of the year		4162975	8.42		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	14.02.20 17.02.20	32499 4604961	0.07 9.32	4195474 8800435	8.49 17.81
	At the End of the year				8800435	17.81
3	<b>Bharatbhai Prabhudas Patel</b>					
	At the beginning of the year		8977834	18.17		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	14.02.20 17.02.20	(64998) (8912836)	0.13 18.04	8912836 0.00	18.04 0.00
	At the End of the year				0.00	0.00
4	<b>Nirmal Bharatbhai Patel</b>					
	At the beginning of the year		847638	1.72		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)					
	At the End of the year				847638	1.72

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Date of Purchase/ Sale of shares	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Mukesh Purshottamdas Patel</b>					
	At the beginning of the year		7382183	14.94		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc): Reason for change : Buy		NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)				7382183	14.94
<b>2</b>	<b>M P Patel Infrastructure Pvt. Ltd.</b>					
	At the beginning of the year		1127830	2.28		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)				1127830	2.28
<b>3</b>	<b>Suman S. Asrani</b>					
	At the beginning of the year		743250	1.50		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)				743250	1.50
<b>4</b>	<b>Sarojdevi Satyanarayan Kabra</b>					
	At the beginning of the year		523190	1.06		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):		NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)				523190	1.06
<b>5</b>	<b>Kalpana Kanubhai Patel</b>					
	At the beginning of the year		321702	0.65		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc): Sell		NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)				321702	0.65
<b>6</b>	<b>Tanuja Ashish Rathod</b>					
	At the beginning of the year		282477	0.57		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc): Sell		NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)				282477	0.57
<b>7</b>	<b>Sunitadevi N Agarwal</b>					
	At the beginning of the year		265000	0.54		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc): Sell	27.03.20	(200)	Negligible	264800	0.54
	At the End of the year (or on the date of separation, if separated during the year)				264800	0.54
<b>8</b>	<b>Ranjanben Nalinkumar Shah</b>					
	At the beginning of the year		255050	0.52		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc): Sell		NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)				255050	0.52
<b>9</b>	<b>Damyanti Agrawal</b>					
	At the beginning of the year		244000	0.49		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc): Sell		NO CHANGE DURING THE YEAR			
	At the End of the year (or on the date of separation, if separated during the year)				244000	0.49

Sl. No.	For Each of the Top 10 Shareholders	Date of Purchase/ Sale of shares	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>10</b>	<b>Chainmulljain Mahesh Chand</b>					
	At the beginning of the year		198466	0.40		
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc): Sell		05.04.19 12.04.19 19.04.19 26.04.19 03.05.19 10.05.19 17.05.19 24.05.19 22.11.19 29.11.19 06.12.19 13.12.19 20.12.19 03.01.20 10.01.20 17.01.20 28.02.20 13.03.20 20.03.20	576 443 1388 4938 2515 504 663 4241 (213290) 5440 1332 1667 666 224695 (209) (622) 144 565 377	199042 199485 200873 205811 208326 208830 209493 213734 444 5884 7216 8883 9549 234244 234035 233413 233557 234122 234499	0.40 0.40 0.40 0.41 0.42 0.42 0.42 0.43 0.0009 0.0119 0.0146 0.0180 0.0193 0.47 0.47 0.47 0.47 0.47 0.47
	At the End of the year (or on the date of separation, if separated during the year)				234499	0.47

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Date of Purchase/ Sale of shares	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Dineshkumar P. Patel Managing Director</b>					
	At the beginning of the year		4460060	9.03		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	14.02.20 17.02.20	32499 4307875	0.06 8.72	4492559 8800434	9.09 17.81
	At the End of the year				8800434	17.81
<b>2</b>	<b>Kiritkumar S. Patel Chairman &amp; Whole Time Director</b>					
	At the beginning of the year		4162975	8.42		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	14.02.20 17.02.20	32499 4604961	0.07 9.32	4195474 8800435	8.49 17.81
	At the End of the year				8800435	17.81
<b>3</b>	<b>Bharatbhai P. Patel, Director</b>					
	At the beginning of the year		8977834	18.17		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	14.02.20 17.02.20	(64998) (8912836)	0.13 18.04	8912836 0.00	18.04 0.00
	At the End of the year				NIL	NIL
<b>4</b>	<b>Nirmal B. Patel, Whole Time Director</b>					
	At the beginning of the year		847638	1.72		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)		NO CHANGE DURING THE YEAR			
	At the End of the year				847638	1.72
<b>5</b>	<b>Jasvant K. Patel</b>					
	At the beginning of the year		NIL	NIL		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)		NO CHANGE DURING THE YEAR			
	At the End of the year				NIL	NIL

Sl. No.	For Each of the Directors and KMP	Date of Purchase/ Sale of shares	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>6</b>	<b>Sweta Patel</b>					
	At the beginning of the year		NIL	NIL		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)		NO CHANGE DURING THE YEAR			
	At the End of the year				NIL	NIL
<b>7</b>	<b>Vasudevbhai L. Patel</b>					
	At the beginning of the year		NIL	NIL		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)		NO CHANGE DURING THE YEAR			
	At the End of the year				NIL	NIL
<b>8</b>	<b>Ghanshyambhai C. Patel</b>					
	At the beginning of the year		NIL	NIL		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)		NO CHANGE DURING THE YEAR			
	At the End of the year				NIL	NIL
<b>9</b>	<b>Ketankumar J. Raval</b>					
	At the beginning of the year		NIL	NIL		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)		NO CHANGE DURING THE YEAR			
	At the End of the year				NIL	NIL
<b>10</b>	<b>Bhavikkumar R. Patel</b>					
	At the beginning of the year		NIL	NIL		
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)		NO CHANGE DURING THE YEAR			
	At the End of the year				NIL	NIL

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,15,46,050	2,27,84,283	0	18,43,30,334
ii) Interest due but not paid	0	37,15,761	0	37,15,761
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>16,15,46,050</b>	<b>2,65,00,044</b>	<b>0</b>	<b>18,80,46,095</b>
Change in Indebtedness during the financial year				
• Addition	29,62,86,997	4,65,20,901	0	34,28,07,898
• Reduction	(30,18,05,468)	(1,90,47,613)	0	(32,08,53,082)
<b>Net Change</b>	<b>(55,18,471)</b>	<b>2,74,73,288</b>	<b>0</b>	<b>2,19,54,816</b>
Indebtedness at the end of the financial year				
i) Principal Amount	15,60,27,579	4,99,09,708	0	20,59,37,287
ii) Interest due but not paid	0	40,63,624	0	40,63,624
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>15,60,27,579</b>	<b>5,39,73,332</b>	<b>0</b>	<b>21,00,00,911</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Dineshkumar Patel, Managing Director	Kiritkumar Patel, Chairman & WTD	Bharatbhai Patel, Director	Nirmal Patel, WTD	
1	<b>Gross Salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80,000	80,000	1,25,000	80,000	3,65,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify :					
	Total (A) (in'000)	80,000	80,000	1,25,000	80,000	3,65,000
	Ceiling as per the Act	42,00,000	42,00,000	42,00,000	42,00,000	-

**B. Remuneration / Fees to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount in ₹
		Vasudevbbhai Patel	Jasvant K. Patel	Ghanshyambhai Patel	Ketankumar J. Raval	Bhavikkumar Patel	
	<b>Independent Directors</b>						
	Fee for attending board committee meetings	8000	22,000	26,000	10000	22,000	88,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	8000	22,000	26,000	10000	22,000	88000
	Total Managerial Remuneration Overall Ceiling as per the Act	100000	100000	100000	100000	100000	-
	<b>Other Non-Executive Directors</b>	<b>Sweta B. Patel</b>					
	Fee for attending board committee meetings	2000		-	-	-	
	Commission	-		-	-	-	-
	Others, please specify	-		-	-	-	-
	<b>Total (2)</b>	2000		-	-	-	-
	<b>Total (B) = (1+2)</b>	90000	-	-	-	-	-
	Total Managerial Remuneration Overall Ceiling as per the Act	100000	-	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/MTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	N.A.	2,40,000	NIL	N.A.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-		
2	Stock Option		-		
3	Sweat Equity		-		
4	Commission - as % of profit - others, specify...		-		
5	Others, please specify		-		
	Total	N.A.	2,40,000	NIL	N.A.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

**For, Minaxi Textiles Limited**
**Dineshkumar P. Patel**  
**Managing Director**  
**DIN : 02268757**
**Kiritkumar S. Patel**  
**Chairperson**  
**DIN : 00372855**



## INDEPENDENT AUDITOR'S REPORT

To The Members,  
**MINAXI TEXTILES LIMITED**

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **MINAXI TEXTILES LIMITED ('the company')** which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 the 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 there under, 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.

#### Emphasis of Matter:

We draw your attention to Note 33 to the Financial Statements, which describes the uncertainties and the impact of COVID - 19 pandemic on the Company's Operations and results as assessed by the Management. Our report is not modified in respect of this matter.

#### 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.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report, but does not include the financial statements 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the 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, 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 is 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 as a whole 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 financial controls 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 controls 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 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 Company'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 Company 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

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.

#### **Other Matter**

We have not audited the comparative financial information as at and for the year ended March 31, 2019 included in the accompanying financial statements. The predecessor auditors have expressed an unmodified opinion dated 27th May, 2019 on their audit of the comparative financial information. Our opinion is not modified in respect of this matter.

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

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "**Annexure-A**".
  - g. The company has paid Managerial Remuneration to its Directors during the current year is in accordance with the provisions of section 197(16) of the Act, as amended (note 30).
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with 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 as at March 31, 2020 in its Ind AS financial statement. (note 27)
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (note 28)
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section (11) of section 143 of the Companies Act 2013, we give in the **Annexure B**, a statement on the matters specified in paragraphs 3 and 4 of the order.

**For, Manghani & Co.**  
**Chartered Accountants**  
**Firm Registration No. 022372C**

**Dinesh Manghani**  
**Proprietor**  
**Membership no. 535603**

**Place: Ahmedabad**  
**Date: 30th July, 2020**

**UDIN: 20535603AAAAAI1099**

### **Annexure- A to Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members Minaxi Textiles Limited of even date)

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")**

We have audited the Internal Financial Controls over financial reporting of Minaxi Textiles Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management 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 components 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 the 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 Standard on Auditing prescribed

under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with the 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 the internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of 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 Company's internal financial controls system over financial reporting.

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

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting included 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 transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of 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 limitation 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, projection of any evaluation of the internal financial controls over financial reporting to future periods are subjects to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

**For, Manghani & Co.**  
**Chartered Accountants**  
**Firm Registration No. 022372C**

**Dinesh Manghani**  
**Proprietor**  
**Membership no. 535603**

**Place: Ahmedabad**  
**Date: 30th July, 2020**

**UDIN: 20535603AAAAAI1099**

## Annexure-B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Minaxi Textiles Limited of even date)

**1. In respect of Fixed Assets:**

- a. The Company is in process of updating proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. According to information and explanations given to us, the Fixed Assets of the Company have been physically verified by the management periodically and no material discrepancies have been noticed on such physical verification.
- c. According to information and explanations given to us and on the basis of our examination of records of the company the title deeds of immovable properties, other than the self constructed immovable property (buildings), as disclosed in the fixed assets to the financial statements, are held in the name of company.
- d. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and therefore, the provisions of clause (iii) of the Order are not applicable to the company.
4. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under the Section 185 of the Act. The company has not given guarantees or provided security requiring compliance under section 185 or 186 of the Act; hence clause (iv) of the order is not applicable to the Company.
5. During the year, the company has not accepted any deposits from public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, the provisions of clause (v) of the Order are not applicable to the company.
6. As per Information and explanation given by the company, the central government has not prescribed the maintenance of cost records under Section 148(1) of the Act, hence reporting of clause (vi) of the Order are not applicable to the company.

**7. In respect of Statutory Dues:**

- a. According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Goods and Service Tax, Custom duty, and any other statutory dues with the appropriate authorities applicable to it. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2020 for a period of more than six months from the date on which they became payable, except Gratuity Liabilities of Rs 26,46,430/-
- b. According to the records of the company and on the basis of the information and explanations given to us, the details of disputed statutory dues of income tax which have not been deposited as at March 31, 2020 on account of dispute is as under:

Nature of Statute	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	Amount (Rs.)
The Income Tax Act, 1961	Income Tax	Commissioner (Appeals) - Gandhinagar	F.Y. 2017-18	2,44,370

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institutions or bank but however delay in repayment of dues of bank and financial institutions were observed during the year. The company has not issued any debentures during the year or in the preceding year.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (ix) of the Order is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The company is not a Nidhi company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or Private placement of shares of fully or partly convertible debentures during the year under review and hence reporting under clause (xiv) of the Order is not applicable to the Company.
15. The Company has not entered into any non cash transactions with Directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered u/s. 45-IA of the Reserve Bank of India Act, 1934.

**For, Manghani & Co.**  
**Chartered Accountants**  
**Firm Registration No. 022372C**

**Dinesh Manghani**  
**Proprietor**  
**Membership no. 535603**

**Place: Ahmedabad**  
**Date: 30th July, 2020**

**UDIN: 20535603AAAAAI1099**

## BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in Rs.)

EQUITY AND LIABILITIES/ASSETS	Note No	As at 31st March, 2020	As at 31st March, 2019
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	1	10,24,40,672	11,18,34,527
(b) Financial Assets - Others	2	54,24,700	61,04,544
<b>(2) Current assets</b>			
(a) Inventories	3	21,83,19,262	19,39,23,577
(b) Financial Assets			
(i) Trade receivables	4	8,13,14,277	11,36,10,948
(ii) Cash and Cash Equivalents	5	65,356	9,43,466
(iii) Financial Assets - Other	2	64,04,467	20,22,833
(c) Current Tax Assets(net)	15	-	24,330
(d) Other Current Assets	6	31,26,951	15,50,895
<b>TOTAL ASSETS</b>		<b>41,70,95,685</b>	<b>43,00,15,120</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	7	5,56,03,160	5,56,03,160
(b) Other Equity	8	9,81,54,887	9,72,98,449
<b>Total Equity</b>		<b>15,37,58,047</b>	<b>15,29,01,609</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	5,39,73,332	2,01,28,511
(b) Deferred tax liability (Net)	10	61,56,374	73,29,520
(c) Provisions	11	15,26,551	14,53,743
<b>Total Non Current Liabilities</b>		<b>6,16,56,257</b>	<b>2,89,11,773</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	15,56,92,922	15,46,26,772
(ii) Trade payables	13	4,15,77,879	7,59,64,466
(iii) Other financial liabilities	14	3,81,494	1,35,62,684
(b) Provisions	11	30,14,068	18,08,196
(c) Other Current Liabilities	16	10,15,019	22,39,620
<b>Total Current Liabilities</b>		<b>20,16,81,382</b>	<b>24,82,01,738</b>
<b>Total Liabilities</b>		<b>26,33,37,639</b>	<b>27,71,13,511</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,70,95,685</b>	<b>43,00,15,120</b>

See accompanying notes to the financial statements  
In terms of our report attached

**For, Manghani & Co.**  
Chartered Accountants  
Firm Registration No. 022372C

**Dinesh Manghani**  
Proprietor  
Membership no. 535603

**Place: Ahmedabad**  
**Date: 30th July, 2020**

For and on behalf of the Board of Directors  
**Minaxi Textiles Limited**  
CIN: L17119GJ1995PLC025007

**K.S. Patel**  
Chairperson  
DIN: 00372855

**Nirmal Patel**  
Chief Financial Officer

**Place: Chhatral**  
**Date: 30th July, 2020**

**D.P. Patel**  
Managing Director  
DIN: 02268757

**Priyanka Patel**  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Amount in Rs.)

Particulars	Note No	2019-2020	2018-2019
I. Revenue from operations	17	16,72,24,095	44,37,59,628
II. Other Income	18	4,46,632	9,71,752
III. <b>Total Revenue (I +II)</b>		<b>16,76,70,727</b>	<b>44,47,31,380</b>
IV. <u>Expenses:</u>			
Cost of materials consumed	19	9,59,44,477	21,12,52,854
Purchase of Stock-in-Trade	20	2,55,59,826	8,27,97,855
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	-2,00,12,396	-2,04,23,563
Employee benefit expense	22	1,06,05,281	1,83,72,787
Finance costs	23	2,19,41,702	3,13,10,204
Depreciation & Amortization	1	66,55,615	1,88,27,554
Other expenses	24	2,68,05,157	10,09,95,539
<b>Total Expenses</b>		<b>16,74,99,662</b>	<b>44,31,33,230</b>
V. Profit Before Tax		<b>1,71,065</b>	<b>15,98,150</b>
VI. Less: Tax expense:	25		
(1) Current tax		1,58,652	19,86,729
(2) Deferred tax		(11,73,146)	(20,02,091)
VII. Profit for the year		<b>11,85,559</b>	<b>16,13,512</b>
VIII. <b>Other Comprehensive Income</b>			
Items that will not be reclassified to statement of profit and loss			
Remeasurement of the defined benefit plans		4,26,765	(6,14,864)
Income tax relating to items that will not be reclassified to profit or loss		(97,644)	1,59,865
IX. <b>Total Comprehensive Income for the Period</b>		<b>8,56,438</b>	<b>20,68,512</b>
X. Earning per equity share:	26		
Basic & Diluted EPS (Face Value of Re. 1/- each)		0.02	0.03

See accompanying notes to the financial statements  
In terms of our report attached

**For, Manghani & Co.**  
Chartered Accountants  
Firm Registration No. 022372C

**Dinesh Manghani**  
Proprietor  
Membership no. 535603

**Place: Ahmedabad**  
**Date: 30th July, 2020**

For and on behalf of the Board of Directors  
**Minaxi Textiles Limited**  
CIN: L17119GJ1995PLC025007

**K.S. Patel**  
Chairperson  
DIN: 00372855

**Nirmal Patel**  
Chief Financial Officer

**Place: Chhatral**  
**Date: 30th July, 2020**

**D.P.Patel**  
Managing Director  
DIN: 02268757

**Priyanka Patel**  
Company Secretary



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in Rs.)

Particulars	Equity Share Capital	Retained Earnings and other Equity	Total Equity
<b>Balance as at March 31, 2018</b>	<b>5,56,03,160</b>	<b>9,52,29,937</b>	<b>15,08,33,097</b>
Profit for the year	-	16,13,512	16,13,512
Other comprehensive Income for the year net of taxes	-	(4,54,999)	(4,54,999)
<b>Total Comprehensive Income for the year</b>	-	20,68,512	20,68,512
Issue of Equity Shares	-	-	-
Payment of Dividend (including Dividend distribution tax)	-	-	-
<b>Balance as at March 31, 2019</b>	<b>5,56,03,160</b>	<b>9,72,98,449</b>	<b>15,29,01,609</b>
Profit for the year		11,85,559	11,85,559
Other comprehensive Income for the year net of taxes		3,29,121	3,29,121
<b>Total Comprehensive Income for the year</b>		8,56,438	8,56,438
Issue of Equity Shares			
Payment of Dividend (including Dividend distribution tax)			
<b>Balance as at March 31, 2020</b>	<b>5,56,03,160</b>	<b>9,81,54,887</b>	<b>15,37,58,047</b>

See accompanying notes to the financial statements  
In terms of our report attached

**For, Manghani & Co.**  
Chartered Accountants  
Firm Registration No. 022372C

**Dinesh Manghani**  
Proprietor  
Membership no. 535603

**Place: Ahmedabad**  
**Date: 30th July, 2020**

For and on behalf of the Board of Directors  
**Minaxi Textiles Limited**  
CIN: L17119GJ1995PLCO25007

**K.S. Patel**  
Chairperson  
DIN: 00372855

**Nirmal Patel**  
Chief Financial Officer

**Place: Chhatral**  
**Date: 30th July, 2020**

**D.P. Patel**  
Managing Director  
DIN: 02268757

**Priyanka Patel**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

PARTICULAR	FOR THE YEAR 2019-20		FOR THE YEAR 2018-19	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before Tax		1,71,065		15,98,150
<b>Adjustments for :</b>				
Depreciation & Amortization	66,55,615		1,88,27,554	
Interest & Other Financial Charges	2,19,41,702		3,13,10,204	
Remeasurements of Defined Benefit Plans	-4,26,765		6,14,864	
(Profit)/ Loss on Sale of Assets	17,38,240		-31,621	
Interest Received	-4,44,696	2,94,64,097	-4,37,434	5,02,83,567
Operating Profit before Working Capital Changes		2,96,35,162		5,18,81,717
Adjusted for:				
(Increase) / Decrease in Inventory	-2,43,95,685		-67,86,913	
(Increase) / Decrease in Trade & Others Receivables	2,73,10,314		8,09,46,243	
Increase / (Decrease) in Trade & Other Payable	(3,45,57,543)	-3,16,42,914	(2,95,54,707)	4,46,04,624
Cash Generated from Operation		-20,07,752		9,64,86,340
Direct Taxes Paid		-3,28,167		-48,02,401
Net Cash from Operating Activities		-23,35,919		9,16,83,939
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Proceeds from Sale of Property, Plant & Equipments	10,00,000		3,66,000	
Purchase of Property, Plant & Equipments	-		-1,49,504	
Interest Received	4,44,696		4,37,434	
Net Cash (used in) / from Investing Activities		14,44,696		6,53,930
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase in Long Term Loans & Other Borrowings	2,19,54,816		-6,20,13,967	
Interest Paid	-2,19,41,702		-3,13,10,204	
Net Cash (used in) / from Financing Activities		13,114		-9,33,24,171
<b>D NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		-8,78,110		-9,86,302
Opening Cash & Cash Equivalents		9,43,466		19,29,768
<b>Closing Cash &amp; Cash Equivalents</b>		<b>65,356</b>		<b>9,43,466</b>
<b>Cash and Cash Equivalent Comprises of: (note 5)</b>				
Cash on Hand		56,936		9,27,986
Balance with the Bank		8,421		15,480
<b>Total</b>		<b>65,356</b>		<b>9,43,466</b>

Note- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard- 7 on Statement of Cash Flow.  
See accompanying notes to the financial statements  
In terms of our report attached

**For, Manghani & Co.**  
Chartered Accountants  
Firm Registration No. 022372C

**Dinesh Manghani**  
Proprietor  
Membership no. 535603

**Place: Ahmedabad**  
**Date: 30th July, 2020**

For and on behalf of the Board of Directors  
**Minaxi Textiles Limited**  
CIN: L17119GJ1995PLC025007

**K.S. Patel**  
Chairperson  
DIN: 00372855

**Nirmal Patel**  
Chief Financial Officer

**Place: Chhatral**  
**Date: 30th July, 2020**

**D.P.Patel**  
Managing Director  
DIN: 02268757

**Priyanka Patel**  
Company Secretary

**COMPANY OVERVIEW:**

Minaxi Textiles Ltd. is a India based public limited textile company incorporated on March 14, 1995. The company has its registered office at "PLOT NO 3311, Phase 4, GIDC Chhatral, Chhatral INA(GIDC), Gujarat 382729, India". The Company is engaged in Weaving and manufacture of Cotton and Cotton Mixture Fabrics. The Company is also engaged in weaving of grey cloth of suiting and shirting. The Company deals in suiting products having specialty in fancy suiting fabrics. Its products include suiting lycra fabric, cotton quilts, broken twill fabric and satin fabric.

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 30<sup>th</sup> July, 2020.

**SIGNIFICANT ACCOUNTING POLICIES:****(a) STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 as amended.

**(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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:

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

**(c) USE OF ESTIMATES:**

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities.

Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**(d) REVENUE RECOGNITION:**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Goods and Service Tax, returns and allowances, related discounts & incentives and volume rebates.

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably.

**(e) PROPERTY, PLANTS & EQUIPMENTS:**

Property, Plants & equipment acquired by the Company is reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

All items of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Leasehold Land and Leasehold Improvements are amortized over the period of the lease.

**(f) DEPRICIATION:**

Depreciation is provided on the straight line method (SLM). Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act, 2013 except for Plant and Machinery, where the company has adopted useful life of 25 years. For these class of assets based on internal assessment and independent technical evaluation carried out by external values, the management believes that useful lives as given above best represent the period over which the management expects to use the assets. Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro rata basis with reference to the date of addition / disposal.

**(g) CASH FLOW:**

The Cash flow statement is prepared by the "Indirect Method" Set out in Indian Accounting Standard 7 on "Cash Flow Statements" and present the cash flow by operating, Investing and financing activities of the company. Cash and Cash equivalents presented in the cash flow statement consist of cash on hand and other current account balance / deposits with the bank.

**(h) INVENTORIES:**

Inventories are valued at lower of cost (on FIFO basis) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of Finished goods & Work in progress includes appropriate portion of labour & overheads.

**(i) EMPLOYEE BENEFITS:**

**(a) Short Term**

Short term employee benefits are recognized as an expense as the undiscounted amount expected to be paid over the period of services rendered by the employee to the company.

**(b) Long Term**

The Company has both defined contribution and defined benefit Plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

**(c) Defined Contribution Plans**

These are plan in which the Company pays pre defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

**(d) Defined Benefit Plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- 1) Service costs comprising current service costs, gains and losses on curtailments and settlements; and
- 2) Net interest expense or income

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

**(j) FOREIGN CURRENCY TRANSACTION:**

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Non monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognized in the statement of profit and loss in the period in which they arise.

**(k) BORROWING COST:**

Borrowing cost incurred in relation to acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till the activities necessary for its intended use are complete. All other borrowing costs are charged in statement of profit & loss of the year in which incurred.

**(l) EARNING PER SHARE:**

Basic earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(m) PROVISION, CONTINGENT LIABILITIES CONTINGENT ASSETS:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

**(n) TAXES ON INCOME:**

Tax expense represents the sum of the current tax and deferred tax.

**Current Tax**

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT credit is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

**Current and deferred tax for the year**

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

**(o) GOVERNMENT GRANTS:**

Government Grants are recognized where there is reasonable assurance that the Company has complied with the conditions attached to them and that the Grant will be received. Government grants related to fixed assets are shown as deduction from the gross value of the assets concerned in arriving at their book value. The depreciation on such assets is calculated as such reduced value. The government grants related to revenue are recognized on a systematic basis in the profit and loss statements over the period necessary to match them, with the related cost which they are intended to compensate. The grant so received is deducted in reporting the related expenses.

**(p) OPERATING CYCLE:**

The Company presents assets and liabilities in the balance sheet based on current / non current classification based on operating cycle.

**An asset is treated as current when it is:**

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

**A liability is current when:**

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non current.

Deferred tax assets and liabilities are classified as non current assets and liabilities. The company has identified twelve months as its operating cycle.

**(q) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

**i. Income taxes**

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**ii. Discount rate used to determine the carrying amount of the Company's defined benefit obligation**

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post employment benefit obligation.

**iii. Useful lives of property, plant and equipment**

The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were change in useful lives of plant and machinery and has accordingly given the effect of this change in estimates prospectively in its financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**
**Note: 1 Property, Plant and Equipment**
**Following are the Changes in the carrying value of Property, Plant & Equipment for the year ended 31-March-2020 :**

(Amount in Rs.)

Particulars	Lease hold Land	Building (Other than Factory)	Factory Building	Vehicles	Furniture & Fixtures	Air Conditioner & Office Equipments	Plant & Equipments	Computer	Humidification Plant	Laboratory Equipment	Total
Gross carrying value as on 01-Apr-2019	20,13,344	40,87,680	3,31,66,556	53,00,483	49,14,804	4,36,199	19,34,73,401	2,03,381	62,87,733	2,55,414	25,01,38,995
Addition	-	-	-	-	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	37,97,909	-	-	-	37,97,909
<b>Gross carrying value as on 31-Mar-2020</b>	<b>20,13,344</b>	<b>40,87,680</b>	<b>3,31,66,556</b>	<b>53,00,483</b>	<b>49,14,804</b>	<b>4,36,199</b>	<b>18,96,75,492</b>	<b>2,03,381</b>	<b>62,87,733</b>	<b>2,55,414</b>	<b>24,63,41,086</b>
Accumulated depreciation on 01-Apr-2019	77,436	3,42,359	1,16,31,576	30,03,180	35,05,111	2,85,098	11,52,93,069	1,88,215	37,35,782	2,42,642	13,83,04,468
Depreciation	25,812	64,675	9,79,076	3,80,735	2,47,365	28,406	44,33,177	4,997	4,91,373	-	66,55,615
Accumulated depreciation deletions	-	-	-	-	-	-	10,59,669	-	-	-	10,59,669
<b>Accumulated depreciation as on 31-Mar-2020</b>	<b>1,03,248</b>	<b>4,07,033</b>	<b>1,26,10,652</b>	<b>33,83,915</b>	<b>37,52,476</b>	<b>3,13,504</b>	<b>11,86,66,577</b>	<b>1,93,212</b>	<b>42,27,155</b>	<b>2,42,642</b>	<b>14,39,00,414</b>
<b>Carrying value as on 31-Mar-2020</b>	<b>19,10,096</b>	<b>36,80,647</b>	<b>2,05,55,904</b>	<b>19,16,568</b>	<b>11,62,328</b>	<b>1,22,695</b>	<b>7,10,08,915</b>	<b>10,169</b>	<b>20,60,578</b>	<b>12,772</b>	<b>10,24,40,672</b>

**Following are the Changes in the carrying value of Property, Plant & Equipment for the year ended 31-March-2019 :**

Particulars	Lease hold Land	Building (Other than Factory)	Factory Building	Vehicles	Furniture & Fixtures	Air Conditioner & Office Equipments	Plant & Equipments	Computer	Humidification Plant	Laboratory Equipment	Total
Gross carrying value as on 01-Apr-2018	20,13,344	40,87,680	3,31,66,556	53,00,483	49,14,804	2,86,695	19,39,35,381	2,03,381	62,87,733	2,55,414	25,04,51,471
Addition	-	-	-	-	-	1,49,504	-	-	-	-	1,49,504
Deletion	-	-	-	-	-	-	4,61,980	-	-	-	4,61,980
<b>Gross carrying value as on 31-Mar-2019</b>	<b>20,13,344</b>	<b>40,87,680</b>	<b>3,31,66,556</b>	<b>53,00,483</b>	<b>49,14,804</b>	<b>4,36,199</b>	<b>19,34,73,401</b>	<b>2,03,381</b>	<b>62,87,733</b>	<b>2,55,414</b>	<b>25,01,38,995</b>
Accumulated depreciation on 01-Apr-2018	51,624	2,77,684	1,06,52,500	26,22,445	32,57,746	2,71,084	9,88,05,666	1,78,715	32,44,409	2,42,642	11,96,04,515
Depreciation	25,812	64,675	9,79,076	3,80,735	2,47,365	14,014	1,66,15,005	9,500	4,91,373	-	1,88,27,554
Accumulated depreciation deletions	-	-	-	-	-	-	1,27,601	-	-	-	1,27,601
<b>Accumulated depreciation as on 31-Mar-2019</b>	<b>77,436</b>	<b>3,42,359</b>	<b>1,16,31,576</b>	<b>30,03,180</b>	<b>35,05,111</b>	<b>2,85,098</b>	<b>11,52,93,069</b>	<b>1,88,215</b>	<b>37,35,782</b>	<b>2,42,642</b>	<b>13,83,04,468</b>
<b>Carrying value as on 31-Mar-2019</b>	<b>19,35,908</b>	<b>37,45,321</b>	<b>2,15,34,980</b>	<b>22,97,303</b>	<b>14,09,693</b>	<b>1,51,101</b>	<b>7,81,80,332</b>	<b>15,166</b>	<b>25,51,951</b>	<b>12,772</b>	<b>11,18,34,527</b>

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>2</b>	<b>Other Financial Assets</b>		
	<b>Non current</b>		
	(unsecured, considered good)		
	Security Deposits	18,57,605	28,10,422
	<b>Other Bank balances</b>		
	Fixed Deposits ##	35,67,095	32,94,122
	<b>Total</b>	<b>54,24,700</b>	<b>61,04,544</b>
	<b>Current</b>		
	VAT/ GST refundable	93,035	93,035
	GST - SGST Refund Receivable - Subsidy - DIC	45,44,364	-
	Interest Subsidy Receivable	10,37,440	10,95,433
	Interest accrued but not received	1,35,760	1,46,478
	Other Receivables	5,93,868	6,87,887
	<b>Total</b>	<b>64,04,467</b>	<b>20,22,833</b>

## Fixed Deposit includes Rs. 35,67,095/- (P.Y. Rs. 32,94,122/-) having maturity more than 12 months. This also includes fixed deposits in form of Bank guarantee given to cover the Government dues, relating to contingent liabilities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>3</b>	<b>Inventories</b> (Valued at lower of cost or NRV)		
	Raw materials	82,97,036	41,65,949
	Work in progress	3,96,74,775	2,50,54,940
	Finished goods	6,99,76,013	4,67,06,633
	Stock in Trade	9,96,60,951	8,42,40,386
	Stock with Process House	-	3,32,97,384
	Stores and spares	7,10,487	4,58,285
	<b>Total</b>	<b>21,83,19,262</b>	<b>19,39,23,577</b>
Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>4</b>	<b>Trade receivables</b> (Unsecured and considered good)		
	Trade receivables	8,13,14,277	11,36,10,948
	<b>Total</b>	<b>8,13,14,277</b>	<b>11,36,10,948</b>
	<b>Note : Refer note 32 for the information about credit risk and market risk of Trade receivables.</b>		
	<b>Break-up of trade receivables</b>		
	<b>Trade receivables</b>		
	Trade receivables from other than related parties	8,13,14,277	11,36,10,948
	Receivables from related parties	-	-
	<b>Total</b>	<b>8,13,14,277</b>	<b>11,36,10,948</b>
Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>5</b>	<b>Cash and cash equivalents</b>		
	Balances with banks		
	In Current Account	8,421	15,480
	Cash on hand	56,936	9,27,986
	<b>Total</b>	<b>65,356</b>	<b>9,43,466</b>
Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>6</b>	<b>Other Current Assets</b>		
	Balance With Revenue Authorities	17,03,993	1,43,939
	Advance to Suppliers and for expenses*	8,31,500	8,95,617
	Prepaid Expenses	5,91,458	5,11,339
	<b>Total</b>	<b>31,26,951</b>	<b>15,50,895</b>
	* includes advances to suppliers for goods, stores and spares and others		



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>7</b>	<b>Equity Share Capital</b>		
	Authorized Share capital (7,00,00,000 Equity Shares of Rs 1/- each)	7,00,00,000	7,00,00,000
	Issued Share Capital (61,800,000 Equity Shares at Rs 1/- each)	6,18,00,000	6,18,00,000
	Subscribed & fully paid share capital (5,56,03,160 Equity Shares of Rs 1/- each fully paid up) 4,94,16,000 (P.Y. 4,94,16,000 paid up and 1,23,84,000 (P.Y. 1,23,84,000) shares forfeited	4,94,16,000	4,94,16,000
	<b>Forfeited shares</b> 1,23,84,000 Shares of Re. 1/- each -in F.Y. 2006-07 Amount paid up Rs. 0.50/- per share	61,87,160	61,87,160
	<b>Total</b>	<b>5,56,03,160</b>	<b>5,56,03,160</b>
<b>7.1</b>	<b>Reconciliation of the number of shares</b>		
	No. of Equity shares issued at the beginning of the period	4,94,16,000	4,94,16,000
	Add no. of Equity shares issued during the period	-	-
	Less no. of Equity shares bought back during the year	-	-
	<b>No. of Equity shares at the end of the period</b>	<b>4,94,16,000</b>	<b>4,94,16,000</b>
<b>7.2</b>	<b>Details of shares held by shareholding more than 5% of the aggregate shares in the Company.</b>		
	<b>Sr No.</b>	<b>No. of shares</b>	<b>% held</b>
	<b>Name of Shareholders</b>	<b>No. of shares</b>	<b>% held</b>
	1	Bharatbhai P. Patel	-
	2	Dinesh P. Patel	8800434
	3	Kiritkumar S. Patel	8800435
<b>7.3</b>	<b>Terms /rights attached to equity shares:</b>		
	1	The company has equity shares having par value of Re. 1 per share. Each holder of equity shares is entitled to have one vote per share.	
	2	In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
8	<b>Other Equity</b>		
	<b>Retained Earnings</b>		
	<b>Profit and loss account</b>		
	balance as per last Financial Statement	9,72,98,449	9,52,29,937
	Add: Profit during the year	11,85,559	16,13,512
	Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(3,29,121)	4,54,999
	<b>Total</b>	<b>9,81,54,887</b>	<b>9,72,98,449</b>
	<b>Retained earnings</b>		
	Retained earnings are the profits that the Company has earned till date, less transfer to dividend or other distributions paid to shareholders if any.		
Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
9	<b>Borrowings</b>		
	Secured		
	Term Loans( From Banks)	-	61,05,891
	Less: Current Maturities of Term Loan	-	(61,05,891)
	<b>(A)</b>	<b>-</b>	<b>-</b>
	Vehicle Loans (From Bank)	3,34,657	8,13,387
	Less: Current Maturities of Term Loan	(3,34,657)	(5,30,345)
	<b>(B)</b>	<b>-</b>	<b>2,83,042</b>
	Un-Secured		
	Loan from Financial Institution	-	66,54,575
	Loan from Directors & Relatives of Directors	5,39,73,332	1,98,45,469
	Less: Current Maturities of Financial Institution	-	(66,54,575)
	<b>(C)</b>	<b>5,39,73,332</b>	<b>1,98,45,469</b>
	<b>Total</b>	<b>5,39,73,332</b>	<b>2,01,28,511</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**
**Notes on terms and repayment of loans from banks and financial institution**

<b>Secured loan taken from Banks</b>	
<b>9.1</b>	Term loan is taken from Bank of India, which is hypothecated against the plant and machinery and furniture and fixture of the company and also Equitable Mortgage of factory block owned by the company at unit no. 2, plot no 3311, GIDC Chhatral.
<b>9.2</b>	Term loan is further secured by way of Residential flat (four) situated at fortune empire Kalol.
<b>9.3</b>	Term loan are also further secured by the personal guarantees of Mr. Nirmal Patel, Mr. Kiritbhai Patel, Mr. Bharatbhai Patel, and Mr. Dineshbhai Patel
<b>9.4</b>	Terms of Repayment of term loans taken from Bank of India: Term Loan 1) 4 Quarterly Installment of Rs 25 Lacs, 8 Quarterly Installment of 35 Lacs, 9 Quarterly Installment of 50 Lacs, 1 Quarterly Installment of 49 Lacs each commencing from June 2014. (ROI - 12.15%) Term Loan 2) 22 Quarterly Installment of Rs. 4,13,637/- each commencing from August, 2014. (ROI - 11.85%)
<b>9.5</b>	Vehicle loan is hypothecated against the respective vehicle.
<b>9.6</b>	Terms of Repayment of vehicle loan taken from Bank of India and HDFC Bank HDFC loan 1) 48 EMI of Rs. 27,500/- each commencing from April 2015 Bank of India loan 2) 36 EMI of Rs. 48,442/- each commencing from October 2017
<b>9.7</b>	Unsecured Loan taken from Financial Institution Term loan 1) Rs.30,00,000/- from Aditya Birla Finance Limited : Repayable in Total 12 EMI (Rs. 2,71,000/- advance EMI and Rs. 2,70,999/- each commencing from April 2018) ROI - 18.02% Term loan 2) Rs. 23,05,500/- from Bajaj Finserv Limited : Repayable in 12 EMI (Rs. 209180/- each commencing from July 2018) Term loan 3) Rs. 23,00,000/- from Bajaj Finserv Limited : Repayable in 24 EMI (Rs. 214437/- each commencing from Feb 2017, Rs. 144530/- each commencing from Aug 2017 Rs. 67333/- each commencing from Feb 2018 and Rs. 2573/- each commencing from Aug 2018) Term loan 4) Rs. 75,00,000/- from Capital First Limited : Repayable in Total 24 EMI (Rs. 698434/- each commencing from Feb 2017, Rs. 304648/- each commencing from Oct 2017 and Rs. 45619/- each commencing from June 2018 Term loan 5) Rs.40,00,000/- from Capital Float: Repayable in Total 24 EMI (Rs. 1,95,871/- each commencing from February 2018) ROI - 16.01% Term loan 6) Rs.45,00,000/- from Edelweiss Retail Finance Limited: Repayable in Total 24 EMI (Rs. 2,20,340/- each commencing from February 2018) ROI - 17.49% Term loan 7) Rs.35,00,000/- from India Infoline Finance Limited: Repayable in Total 12 EMI (Rs. 3,19,217/- each commencing from March 2018) ROI - 17.00% Term loan 8) Rs.35,12,174/- from IVL Finance Limited: Repayable in Total 12 EMI (Rs. 3,23,670/- each commencing from March 2018) ROI - 19.00% Term loan 9) Rs. 35,00,000/- from Magma Fincorp Limited : Repayable in Total 24 EMI (Rs. 229627/- each commencing from June 2016 and Rs. 44927/- each commencing from Oct. 2017) Term loan 10) Rs.40,00,000/- from Shriram City Union Finance Limited: Repayable in Total 24 EMI (Rs. 2,34,735/- each commencing from April 2018 and Rs. 1,57,798 each commencing from April 2019) ROI - 18.29% Term loan 11) Rs. 50,00,000/- from United Petro Finance Limited: Repayable in Total 12 EMI (Rs. 4,62,500/- each commencing from April 2018) ROI - 19.72% Term loan 12) Rs. 50,00,000/- from Tata Capital Financial Services Limited : Repayable in Total 24 EMI (Rs. 4,66,250/- each commencing from March 2017, Rs. 2,03,100/- each commencing from Nov 2017 and Rs. 27,150/- each commencing from July 2018)
<b>Unsecured Loan taken from Bank</b>	
<b>9.8</b>	Term loan 1) Rs. 40,00,000/- from Kotak Mahindra Bank Limited : Repayable in 24 EMI (Rs. 2,77,125/- each commencing from Nov 2016 and Rs. 45,680/- each commencing from Feb 2018)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
10	<b>Deferred Tax Liability (Net)</b>		
	Deferred Tax Liabilities	72,11,841	78,28,884
	Deferred Tax Assets	(10,55,467)	(4,99,364)
	<b>Total</b>	<b>61,56,374</b>	<b>73,29,520</b>

**Deferred tax liabilities/ (assets) in relation to:**

PARTICULARS	As at April 1, 2019	Recognized in profit & Loss	As at March 31, 2020
<b>Deferred Tax Liabilities</b>			
Impact of difference between tax depreciation & Depreciation Charged for financial Reporting	78,28,884	(6,17,043)	72,11,841
<b>Deferred Tax Assets</b>			
Gratuity	(4,99,364)	(82,850)	(5,82,215)
Carried Forward Losses	-	(4,73,253)	(4,73,253)
<b>Total</b>	<b>73,29,520</b>	<b>(11,73,146)</b>	<b>61,56,374</b>

Particulars	As at April 1, 2018	Recognized in profit & Loss	As at March 31, 2019
<b>Deferred Tax Liabilities</b>			
Impact of difference between Tax depreciation & Depreciation Charged for Financial Reporting	98,78,965	(20,50,081)	78,28,884
<b>Deferred Tax Assets</b>			
Gratuity	(5,47,354)	47,990	(4,99,364)
<b>Total</b>	<b>93,31,611</b>	<b>(20,02,091)</b>	<b>73,29,520</b>

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
11	<b>Provisions</b>		
	<b>Non Current</b>		
	Gratuity Provision	15,26,551	14,53,743
	<b>Total</b>	<b>15,26,551</b>	<b>14,53,743</b>
	<b>Current</b>		
	For Expenditure	18,94,189	13,41,306
	For Gratuity	11,19,879	4,66,890
	<b>Total</b>	<b>30,14,068</b>	<b>18,08,196</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>12</b>	<b>Borrowings</b>		
	<b>Secured</b>		
	Working Capital Loans from Bank	15,56,92,922	15,46,26,772
	<b>Total</b>	<b>15,56,92,922</b>	<b>15,46,26,772</b>

<b>12.1</b>	Cash Credit Facilities from Bank of India is hypothecated against the Raw Material and Stock in Progress, Finished Goods, Store and entire present and future book debts and further secured by first charge on immovable/ movable properties of Unit II of the company.
<b>12.2</b>	The above facilities are further secured by the personal guarantees of all the Directors.
<b>12.3</b>	The above facilities are further secured by way of Residential flat (four) situated at fortune empire Kalol
<b>12.4</b>	Terms: Repayment on Demand. ROI: 12.15%

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>13</b>	<b>Trade Payables</b>		
	Dues of Micro, Small and Medium enterprises	11,66,435	1,55,627
	Dues to Others	4,04,11,444	7,58,08,839
	<b>Total</b>	<b>4,15,77,879</b>	<b>7,59,64,466</b>

**Notes :**

- Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.
- Refer Note 32 for information about credit risk, market risk and liquidity risk of Trade payables.

**Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.**

	Particulars	As at 31st March, 2020	As at 31st March, 2019
A)	(i) Principal amount remaining unpaid at the end of the accounting year	11,66,435	1,55,627
	(ii) Interest due on above	Nil	Nil
B)	The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006 along with amount of payment made to the supplier beyond the appointed date during the accounting year	Nil	Nil
C)	The amount of interest accrued and remaining unpaid at the end of the financial year	Nil	Nil
D)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED Act, 2006	Nil	Nil
E)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	Nil	Nil

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>14</b>	<b>Other Financial liabilities</b>		
	<b>Secured</b>		
	Current maturities of long term debt		
	- From Bank (Term Loan)	-	61,05,891
	- From Bank (Vehicle Loan)	3,34,657	5,30,345
	<b>Unsecured</b>		
	Current maturities of long term debt		
	-From Financial Institution	-	66,54,575
	Other Payables#	46,837	2,71,872
	<b>Total</b>	<b>3,81,494</b>	<b>1,35,62,684</b>
	# This includes statutory dues payable		

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>15</b>	<b>Current tax liabilities/ (Asset)</b>		
	For Income Tax (net)	-	(24,330)
	<b>Total</b>	<b>-</b>	<b>(24,330)</b>

Note No		As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 Amount (Rs)
<b>16</b>	<b>Other Current Liabilities</b>		
	Advance from Customers	10,15,019	22,39,620
	<b>Total</b>	<b>10,15,019</b>	<b>22,39,620</b>

Note No		2019-2020 Amount (Rs)	2018 - 2019 Amount (Rs)
<b>17</b>	<b>Revenue from Operations</b>		
	Sale of products		
	-Domestic Sale	13,58,81,751	44,13,41,254
	<b>Other operating revenues</b>		
	Reimbursement of SGST - ( Refund - GST) - Note 34	1,76,87,931	-
	Other operating revenues	1,36,54,413	24,18,374
	<b>Total</b>	<b>16,72,24,095</b>	<b>44,37,59,628</b>

Note No		2019-2020 Amount (Rs)	2018 - 2019 Amount (Rs)
<b>18</b>	<b>Other Income</b>		
	Interest Income	4,44,696	4,37,434
	Forex Gain	1,936	18,143
	Sundry Balances written off (net)	-	3,76,047
	Profit on Sale of Fixed assets	-	31,621
	Sale of Scrape	-	1,08,507
	<b>Total</b>	<b>4,46,632</b>	<b>9,71,752</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Note No		2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
<b>19</b>	<b>Cost of Material Consumed #</b>		
	Stock at Opening	41,65,949	1,63,31,932
	Add: Purchase during the year	9,95,38,113	19,78,85,002
	Add : Other direct expenses	5,37,451	12,01,869
	Less : Closing Stock	82,97,036	41,65,949
	<b>Total</b>	<b>9,59,44,477</b>	<b>21,12,52,854</b>

# Major item of Raw Material Includes Yarn used for manufacturing of Grey Cloth.

Note No		2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
<b>20</b>	<b>Purchase of Stock in Trade</b>		
	Purchase during the year	2,55,59,826	8,27,97,855
	<b>Total</b>	<b>2,55,59,826</b>	<b>8,27,97,855</b>

Note No		2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
<b>21</b>	<b>Changes in inventories of finished goods, work-in-progress and Stock-in-Transit</b>		
	<b>Inventories (at Close)</b>		
	Work in progress	3,96,74,775	2,50,54,940
	Finished Goods	6,99,76,013	4,67,06,633
	Stock with Process House	-	3,32,97,384
	Stock in Trade	9,96,60,951	8,42,40,386
	Stock In Transit	-	-
		<b>20,93,11,739</b>	<b>18,92,99,343</b>
	<b>Inventories (at Commencement)</b>		
	Work in progress	2,50,54,940	2,00,26,915
	Finished Goods	4,67,06,633	5,95,31,403
	Stock with Process House	3,32,97,384	6,47,29,022
	Stock in Trade	8,42,40,386	2,42,95,865
	Stock In Transit	-	2,92,577
		<b>18,92,99,343</b>	<b>16,88,75,781</b>
	<b>Total</b>	<b>(2,00,12,396)</b>	<b>(2,04,23,563)</b>

Note No		2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
<b>22</b>	<b>Employee Benefits Expense</b>		
	Salaries and Wages	82,01,997	1,12,09,711
	Bonus	6,14,582	8,79,013
	Directors Remuneration	3,65,000	43,80,000
	Gratuity Exp	2,99,032	3,53,022
	Contribution to provident and other funds	9,17,442	13,36,797
	Staff welfare expenses	2,07,228	2,14,244
	<b>Total</b>	<b>1,06,05,281</b>	<b>1,83,72,787</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

As per Indian Accounting Standard (Ind AS) 19 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

**A. Defined Contribution Plan**

Contribution to defined contribution plan, recognized as expense for the year are as under :

Particulars	2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
Contribution to Provident	7,21,216	10,14,484
<b>Total</b>	<b>7,21,216</b>	<b>10,14,484</b>

**B. Defined Benefit Plan**

The Company has adopted Indian Accounting Standard 19 (Ind AS-19) "Employee Benefits" and has provided valuation as per requirement of Ind AS-19 in accordance with The Companies (Indian Accounting Standard) Rules, 2015. The actuarial valuation is done as per Projected Unit Credit Method as suggested under Ind AS- 19.

**I. Reconciliation of opening and closing balance of Defined Benefit Obligation**

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
Opening defined benefit obligation	19,20,633	21,82,475
Service cost	1,49,415	1,81,698
Interest cost	1,49,617	1,71,324
Actuarial (Gain) / Loss	4,26,765	(6,14,864)
Benefits paid	-	-
<b>Closing defined benefit obligation</b>	<b>26,46,430</b>	<b>19,20,633</b>

**II. Reconciliation of opening and closing balance of fair value of plan assets**

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
Opening fair value of plan assets	Not applicable as	Not applicable as
Expected return	gratuity liability	gratuity liability
Actuarial Gain / (Loss)	is unfunded	is unfunded
Employer contribution		
Benefits paid		
<b>Closing fair value of plan assets</b>		

**III. Reconciliation of fair value of assets and obligation**

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
Fair value of plan assets	Not applicable	Not applicable
Present value of obligation	as gratuity liability	as gratuity liability
Amount recognized in balance sheet	is unfunded	is unfunded



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020

### IV. Expense recognized during the year in profit and loss account (under the head “Employee benefit expense” of ‘Note - 22’ )

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
Service cost	1,49,415	1,81,698
Interest cost	1,49,617	1,71,324
<b>Net cost included in ‘Employee Benefit Expense’</b>	<b>2,99,032</b>	<b>3,53,022</b>

### V. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
Actuarial (Gain) / Losses on Obligation For the Period	4,26,765	(6,14,864)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>4,26,765</b>	<b>(6,14,864)</b>

### VI. Investment Details

Particulars	% invested	% invested
	2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
Public sector securities	Not applicable as gratuity liability is unfunded	Not applicable as gratuity liability is unfunded
Special deposit schemes		
State Government securities		
FDR with banks		
Balance with banks		
<b>Total</b>	<b>-</b>	<b>-</b>

### VII. Actuarial Assumptions

Particulars	Gratuity (Unfunded)	Gratuity (Unfunded)
	2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
Retirement Age	58 years	58 years
Vesting Period	5 years	5 years
Discount rate (per annum)	6.89%	7.79%
Expected rate of return on plan assets (per annum)	N.A.	N.A.
Rate of salary increase	4.00%	4.00%
Rate of employee turnover	1.00%	1.00%

### VIII. Expected Employer’s Contribution for the financial year

For the defined benefit plan company is not liable to contribute any amount as the plans are unfunded. The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**
**Expected Benefit Payments in the following year**

Projected Benefits Payable in Future Years From the Date of Reporting:

<b>PARTICULARS</b>	<b>CURRENT PERIOD</b>	<b>PREVIOUS PERIOD</b>
1st Following Year	11,19,879	4,66,890
2nd Following Year	30,200	33,189
3rd Following Year	31,543	1,27,694
4th Following Year	1,30,545	34,136
5th Following Year	32,462	1,15,164
Sum of Years 6 to 10	3,02,101	3,00,664
Sum of Years 11 and above	40,95,418	47,71,100

**Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

<b>Particulars</b>	<b>31.03.20</b>	<b>31.03.19</b>
Projected Benefit Obligation on Current Assumptions	26,46,430	19,20,633
Delta effect of +1% change in the rate of Discounting	(1,94,550)	(1,83,549)
Delta effect of -1% change in the rate of Discounting	2,33,542	2,22,092
Delta effect of +1% change in the rate of salary Increase	2,38,156	2,28,604
Delta effect of -1% change in the rate of salary increase	(2,01,237)	(1,91,278)
Delta effect of +1% change in the rate of employee turnover	70,929	1,00,897
Delta effect of -1% change in the rate of employee turnover	(80,422)	(1,15,237)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognized in Balance Sheet.

<b>Note No</b>		<b>2019-2020 Amount (Rs)</b>	<b>2018-2019 Amount (Rs)</b>
<b>23</b>	<b>Finance Costs</b>		
	<b>Interest expenses on:</b>		
	Working Capital	1,88,58,051	1,90,24,917
	Term Loans	1,83,562	13,78,570
	Interest to Others	22,39,402	1,00,74,537
	Other borrowing costs	6,60,688	8,32,179
	<b>Total</b>	<b>2,19,41,702</b>	<b>3,13,10,204</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

Note No		2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
<b>24</b>	<b>Other Expenses</b>		
	<b>Manufacturing Expenses:</b>		
	Consumption of stores and spare parts(Note 24.1)	28,92,511	51,54,647
	Electricity Expenses	1,12,49,483	1,26,29,178
	Job work and Process Expenses	69,06,468	7,62,00,013
	Loading Unloading Expense	-	6,37,325
	EPCG and Custom Duty	53,405	57,651
	Repairs & Maintenance	4,51,674	6,69,366
	Other Operating Expenses	1,63,763	4,00,923
	<b>Administrative Expenses:</b>		
	Audit Fees (Note 24.2)	1,00,000	1,00,000
	Insurance Premium	4,29,449	7,53,412
	Legal, Professional & Consultancy Charges	15,80,530	15,72,831
	Rates & Taxes	2,400	28,359
	Loss on sale of assets	17,38,240	-
	Vehicle Repairs & Maintenance	5,02,348	11,08,460
	Membership Fees & Participation fees	56,925	2,60,001
	Other Administrative Expenses	4,73,137	6,64,031
	<b>Selling &amp; Distribution Expenses:</b>		
	Brokerage & Commission	40,000	4,74,749
	Travelling & Conveyance Expenses	3,291	1,04,603
	Other Selling & Administrative Expenses	1,61,533	1,79,990
	<b>Total</b>	<b>2,68,05,157</b>	<b>10,09,95,539</b>

**24.1 Imported and Indigenous Store and Spare Parts Consumed:**

		As at 31st March, 2020		As at 31st March, 2019	
		Amount (Rs)	%	Amount (Rs)	%
	Imported	577,562	19.97%	921,801	17.88%
	Indigenous	2,314,949	80.03%	4,232,846	82.12%
		2,892,511	100.00%	5,154,647	100.00%

**24.2 Payment to Auditors**

Note No		2019-2020 Amount (Rs)	2018-2019 Amount (Rs)
(a)	As Auditor		
	For Statutory Audit	50,000	50,000
	For Tax Audit Fees	40,000	40,000
(b)	For Certification & Others	10,000	10,000
	<b>Total</b>	<b>1,00,000</b>	<b>1,00,000</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

<b>25</b>	<b>Tax Expenses</b>	<b>As at 31st March, 2020 Amount (Rs)</b>	<b>As at 31st March, 2019 Amount (Rs)</b>
	<b>Income tax expense in the statement of profit and loss comprise</b>		
	Current taxes	1,58,652	19,86,729
	Deferred taxes	(11,73,146)	(20,02,091)
	Current taxes on OCI	(97,644)	1,59,865
	<b>Income tax expense</b>	<b>(11,12,138)</b>	<b>1,44,502</b>

A reconciliation of income tax provision to amount computed by applying the statutory income relates to the income before income tax is summarized below

<b>Particulars</b>	<b>2019-2020 Amount (Rs)</b>	<b>2018-2019 Amount (Rs)</b>
Profit before tax	1,71,065	15,98,150
Income tax at Prevailing Rates	22.00%	26.00%
<b>Income tax expense</b>	<b>37,634</b>	<b>4,15,519</b>
<b>Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :</b>		
Effect of expenses that are not deductible in determining taxable profit	20,15,127	48,80,978
Effect of expenses that are deductible in determining taxable profit	(19,55,118)	(34,05,628)
Adjustments in respect of current income tax of previous year	61,008	95,859
<b>Current Tax Provision (A)</b>	<b>1,58,652</b>	<b>19,86,728</b>
Incremental / (Reversal) of Deferred Tax Liability on account of Tangible and Intangible Assets	(6,17,043)	(20,50,081)
(Incremental) / Reversal Deferred Tax Asset on account of Financial Assets and Other Items	(5,56,103)	47,989
<b>Deferred tax Provision (B)</b>	<b>(11,73,146)</b>	<b>(20,02,091)</b>
<b>Tax effect on Items in Other Comprehensive Income (C)</b>	<b>(97,644)</b>	<b>1,59,865</b>
<b>Tax Expenses recognized in Statement of Profit and Loss (A+B+C)</b>	<b>(11,12,138)</b>	<b>1,44,502</b>

<b>Note No</b>		<b>2019-2020 Amount (Rs)</b>	<b>2018-2019 Amount (Rs)</b>
<b>26</b>	<b>Earning Per Share (EPS)</b>		
	Profit for the year attributable to owners of the Company (Rs.)	11,85,559	16,13,512
	Basic/ Weighted average number of Equity Shares (Nos.)	4,94,16,000	4,94,16,000
	Nominal value of Equity Shares (in Re.)	1.00	1.00
	Basic & Diluted Earning Per Share (in Rs.)	<b>0.02</b>	<b>0.03</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**
**Note: 27 Contingent Liabilities and Commitments (to the extent not provided for)**

- 1) The company has imported 17 Machineries, worth Rs 198.97 lacs under EPCG and saved Rs 42.57 lacs of custom duty, company has to export Rs 340.56 lacs before 02/08/2018. The company has seek extension from Additional Director General of Foreign Trade for further extension of 2 years. Vide its License Amendment Sheet dated 31/12/2019, the export obligation has been changed from Rs. 340.56 lacs to Rs. 408.70 lacs and the company has to complete the same before 02/08/2020. Non compliance of the above would result into liabilities of Rs 42.57 lacs (P.Y. 42.57 lacs). Company has also given guarantee of Rs 6.39 lacs (P.Y. 6.39 lacs) to custom authority.
- 2) During the year 2013-14, the company has imported 31 Machineries under Zero duty EPCG Scheme and saved Rs 284.15 lacs of custom duty, company has to export 6 times of the duty saved within a period of 6 years. Non compliance of the above would result into liabilities of Rs 284.15 lacs. Company has also given guarantee of Rs 42.70 lacs to custom authority.
- 3) The interest liability amounting to Rs. 8.95 lacs and the prepayment charges amounting to Rs. 47.99 lacs are in dispute with Axis Bank Ltd due to take over by bank. Hence, the demand by Axis Bank Ltd for interest and prepayment charges are not provided in the books of accounts and the matter is sub judice.
- 4) The Demand of income tax amounting to Rs. 2,44,370/-which is disputed for F.Y. 17-18 (A.Y. 2018-19). The matter is pending at Commissioner (Appeals) - Gandhinagar.

**Note: 28 Long Term Contracts**

There are no long term contracts as on 31/03/2020, including derivative contracts for which there are any material foreseeable losses.

**Note: 29 Related Party Disclosures**

Names of related parties and description of relationship from/ to which following transactions were entered during the year

Sr. No.	Name	Relationship
1	Bharatbhai P. Patel	Director
2	Dineshbhai P. Patel	Managing Director w.e.f.15.11.2019
3	Dineshbhai P. Patel – HUF	HUF of Director
4	Kiritbhai S. Patel	Whole Time Director
5	Kiritbhai S. Patel – HUF	HUF of Director
6	Nirmal B. Patel	Whole Time Director & CFO (Son of Bharatbhai P. Patel)
7	Komal N. Patel	Wife of Director (Nirmal B. Patel)
8	Manjulaben Patel	Director upto 15.11.2019 and Wife of Director(Bharatbhai P. Patel)
9	Priyanka Patel	Company Secretary
10	Sweta B. Patel	Director & Daughter in Law of Dineshbhai Patel

**Transactions with related parties & Balance Outstanding as at the year end (Amount in Rs)**

Sr. No.	Nature of Transaction	2019-20	Outstanding as on 31/03/2020	2018-19	Outstanding as on 31/03/2019
1	<b>Remuneration (note 30)</b>				
	Bharatbhai Patel	1,25,000	--	15,00,000	11,17,600
	Dineshbhai Patel	80,000	70,980	9,60,000	9,22,740
	Kiritbhai Patel	80,000	70,980	9,60,000	9,22,740
	Nirmal Patel	80,000	--	9,60,000	6,38,820
	Priyanka Patel	2,40,000	17,850	80,000	17,650
2	<b>Interest payment (Gross)</b>				
	Bharatbhai Patel	3,86,515	--	6,93,958	--
	Dineshbhai Patel	--	--	6,476	--
	Kiritbhai Patel	--	--	6,476	--
	Nirmal Patel	--	--	3,15,440	--
	Manjulaben Patel	--	--	28,971	--
	Komal N. Patel	--	--	1,26,822	--
3	<b>Loan Taken</b>				
	Bharatbhai Patel	10,85,000	39,85,567	82,32,000	93,57,704
	Dineshbhai Patel	1,83,75,000	1,74,33,371	--	58,371
	Dineshbhai Patel – HUF	15,00,000	15,00,000		
	Kiritbhai Patel	2,29,30,000	2,01,88,371	--	58,371
	Kiritbhai Patel – HUF	10,00,000	10,00,000		
	Nirmal Patel	6,90,000	25,68,331	12,00,000	28,73,331
	Manjulaben Patel	--	2,54,755	4,00,000	2,54,755
	Komal N. Patel	--	11,43,204	--	11,43,204
4	<b>Loan Repaid</b>				
	Bharatbhai Patel	68,05,000	--	30,82,000	--
	Dineshbhai Patel	10,00,000	--	--	--
	Kiritbhai Patel	28,00,000	--	--	--
	Nirmal Patel	9,95,000	--	15,97,000	--
	Manjulaben Patel	--	--	4,02,477	--

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**

**Note: 30** The Board of Directors at its meeting held on 27/05/2019 has resolved to waive the remuneration of Managing Director and Whole Time Directors, until resolved otherwise.

**Note: 31** The Company is primarily engaged in one business segment as determined in accordance with Ind AS 108 – “Operating Segment”

**Note: 32 - FINANCIAL INSTRUMENTS**

The carrying value and fair value instruments by categories as of March 31, 2020 were as follows:

					March 31, 2020
Particulars	Amortized Cost	FVTPL	FVOCI	Total Carrying value	Total fair value
<b>Financial assets</b>					
Trade receivables	8,13,14,277	-	-	8,13,14,277	8,13,14,277
Cash and cash equivalents	65,356	-	-	65,356	65,356
Other Financial Assets	1,18,29,167	-	-	1,18,29,167	1,18,29,167
<b>Total</b>	<b>9,32,08,800</b>	<b>-</b>	<b>-</b>	<b>9,32,08,800</b>	<b>9,32,08,800</b>
<b>Financial liabilities</b>					
Borrowings	20,96,66,254	-	-	20,96,66,254	20,96,66,254
Trade payables	4,15,77,879	-	-	4,15,77,879	4,15,77,879
Other Financial Liabilities	3,81,494	-	-	3,81,494	3,81,494
<b>Total</b>	<b>25,16,25,627</b>	<b>-</b>	<b>-</b>	<b>25,16,25,627</b>	<b>25,16,25,627</b>

					March 31, 2019
Particulars	Amortized Cost	FVTPL	FVOCI	Total Carrying value	Total fair value
<b>Financial assets</b>					
Trade receivables	11,36,10,948	-	-	11,36,10,948	11,36,10,948
Cash and cash equivalents	9,43,466	-	-	9,43,466	9,43,466
Other Financial Assets	81,27,377	-	-	81,27,377	81,27,377
<b>Total</b>	<b>12,26,81,791</b>	<b>-</b>	<b>-</b>	<b>12,26,81,791</b>	<b>12,26,81,791</b>
<b>Financial liabilities</b>					
Borrowings	17,47,55,283	-	-	17,47,55,283	17,47,55,283
Trade payables	7,59,64,466	-	-	7,59,64,466	7,59,64,466
Other Financial Liabilities	1,35,62,684	-	-	1,35,62,684	1,35,62,684
<b>Total</b>	<b>26,42,82,433</b>	<b>-</b>	<b>-</b>	<b>26,42,82,433</b>	<b>26,42,82,433</b>

**Financial risk management**

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks. The company's senior management has the overall responsibility for establishing and governing the company's risk management framework. The company's risk management policies Consider market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

**A. Management of Liquidity Risk**

Liquidity risk is the risk that the company will face in meeting its obligation associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this management considers both normal and stressed conditions.

Due to dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020

Exposure as at 31st March, 2020

Particulars	<1 year	1-5 years	Beyond 5 Years	Total
<b>Financial Liabilities</b>				
Borrowings	15,56,92,922	5,39,73,332	-	20,96,66,254
Trade Payables	4,15,77,879	-	-	4,15,77,879
Other Financial Liabilities	3,81,494	-	-	3,81,494
<b>Total Financial Liabilities</b>	<b>19,76,52,295</b>	<b>5,39,73,332</b>	<b>-</b>	<b>25,16,25,627</b>

Exposure as at 31st March, 2019

Particulars	<1 year	1-5 years	Beyond 5 Years	Total
<b>Financial Liabilities</b>				
Borrowings	15,46,26,772	2,01,28,511	-	17,47,55,283
Trade Payables	7,59,64,466	-	-	7,59,64,466
Other Financial Liabilities	1,35,62,684	-	-	1,35,62,684
<b>Total Financial Liabilities</b>	<b>24,41,53,922</b>	<b>2,01,28,511</b>	<b>-</b>	<b>26,42,82,433</b>

### B. Management of Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. To manage this, the Company periodically assesses 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.

#### Other financial assets

This comprises mainly of deposits with banks and other intercompany receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these are banks and recognized financial institutions. Banks and recognized financial institutions have high credit ratings assigned by the international credit rating agencies.

#### Trade receivables

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 through out each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

Actual or expected significant adverse changes in business,

Actual or expected significant changes in the operating results of the counterparty,

Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

Significant increase in credit risk on other financial instruments of the same counterparty,

Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

### B. Management of 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 risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020

Within the various methodologies to analyze and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit and loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

### Interest Rate Risk

Interest rate risk is that the future cash flow with respect to interest payments on borrowing will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debts obligation with floating interest rates.

### Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves.

(Amount in Rs.)	
Particulars	Impact on profit before tax
As at March 31, 2020	
Increase in 50 basis points	(7,81,378)
Decrease in 50 basis points	7,81,378
As at March 31, 2019	
Increase in 50 basis points	(8,38,924)
Decrease in 50 basis points	8,38,924

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

### Foreign currency risk & Exposure to Currency Risk:

The Company does not have significant exposure to foreign currency risk. Accordingly, the management does not hedge any foreign currency receipts or payments.

### Capital Management

Equity Share capital and other equity are considered for the purpose of company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The Capital structure of the company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company monitors capital using Debt-Equity ratio, which is net debt divided by total equity. The Company's policy is to keep the net debt to equity ratio below 2.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2020**
**Gearing Ratio**

Particulars	As at March 31,2020	As at March 31,2019
Debt	21,00,00,911	18,80,46,095
Less: Cash & Cash Equivalents	65,356	9,43,466
<b>Net Debt</b>	<b>20,99,35,555</b>	<b>18,71,02,629</b>
Total Equity	15,37,58,047	15,29,01,609
<b>Net Debts to Equity Ratio</b>	<b>1.37</b>	<b>1.22</b>

Debt is defined as Borrowings - long term and short term and Current Maturities of long term Borrowings

In order to achieve this overall objective, the company's capital management, amongst to there things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March31,2020 and March 31, 2019.

**Note 33 - Impact of Covid**

In view of rapid spread of virus causing COVID - 19 pandemic, Government of India impose lockdown from 25th Mach, 2020 to curb the spread of virus. The Nationwide lockdown impacted the operations of our company due to non availability of labor and supply chain disruptions. The Company's liquidity is affected on account of cash crunch. The company has assessed the recoverability of receivables and inventories, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of this Financial Statement.

**Note 34 - Additional Notes**

- In the opinion of the Board of Directors:
  - Current assets, non-current loans and advances are realizable in the ordinary course of business, at the value at which they are stated
  - The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary, if any
- Balance of Trade receivables, Trade payables, loans and advances, Unsecured Loans are subject to reconciliation, confirmation and subsequent adjustments, if any, from the respective parties.
- The Company has not taken any assets on operational lease, and hence provision of Ind AS 116 as notified with effect from 1st April 2019 is not applicable to the company during the year.
- During the year, the company has filed the claim for reimbursement of SGST under Gujarat Textile Policy 2012 (GST Refund) starting from period 01/07/2017 to 31/12/2019 amounting to Rs. 1,67,68,909/-. The company has calculated the claim for the period 01/01/2020 to 31/03/2020 amounting to Rs. 9,19,022/- and provided in the books of accounts. The company has received refund amounting to Rs. 1,31,43,567/- during the year. Balance amount of Rs. 45,44,364/- is shown as receivable in the books of account. The income is shown as other operating revenue in note no. 17 of statement of profit and loss.
- The management has reviewed the useful life of its plant and machinery during the quarter ended on March 31, 2020 with the help of the Technical Expert. The effect of the change in the estimated useful life of the assets is given from 1st April, 2019. The resulting adjustment to the depreciation is reflected in the results of the Quarter ended on March 31, 2020.
- The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the company has recognized provision of income tax for the year ended on March 31, 2020 and re-measured its deferred tax assets and liabilities, on the basis of the rates prescribed in the said section.
- previous year figures have been accordingly regrouped/ reclassified to conform to the current year's classification

See accompanying notes to the financial statements  
In terms of our report attached

**For, Manghani & Co.**  
Chartered Accountants  
Firm Registration No. 022372C

**Dinesh Manghani**  
Proprietor  
Membership no. 535603

**Place: Ahmedabad**  
**Date: 30th July, 2020**

For and on behalf of the Board of Directors  
**Minaxi Textiles Limited**  
CIN: L17119GJ1995PLC025007

**K.S. Patel**  
Chairperson  
DIN: 00372855

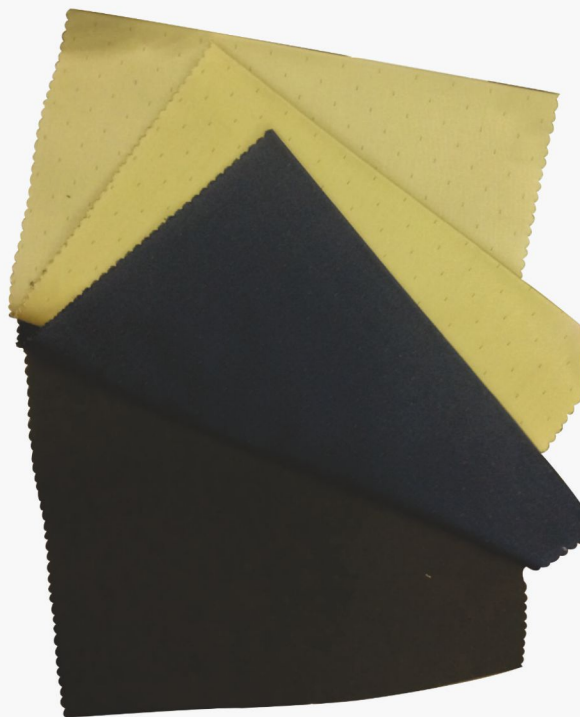
**Nirmal Patel**  
Chief Financial Officer

**Place: Chhatral**  
**Date: 30th July, 2020**

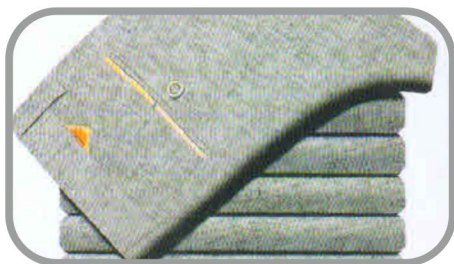
**D.P.Patel**  
Managing Director  
DIN: 02268757

**Priyanka Patel**  
Company Secretary

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