

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 17<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF T.C. TERRYTEX LIMITED WILL BE HELD ON FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2022 AT 11:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT VILLAGE SARSINI, AMB-CHD HIGHWAY, NEAR LALRU, TEHSIL DERABASSI, LALRU, TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS**

**1. Adoption of the Audited Financial Statements as on 31<sup>st</sup> March, 2022**

To receive, consider and adopt the Audited Financial Statements as at 31<sup>st</sup> March, 2022 together with Report of Auditors and Directors thereon.

**2. Appointment of director, who is eligible for retire by rotation**

To re-appoint Mrs. Neha Sehgal (DIN: 06923012) (Director) who retires by rotation and being eligible, seeks reappointment.

**3. Consideration of Statutory Auditor's Appointment**

The Members were informed that M/s J. Mandal & Co., Chartered Accountants (Firm Registration No. 302100E), 401, Sector-16, Panchkula, were appointed as Statutory Auditors of the Company at the Extra-Ordinary General Meeting held on 28th January for a period of five years on the terms and conditions as approved therein.

After consideration, the following resolution was passed:

**"RESOLVED THAT** the Members do hereby take note that M/s J. Mandal & Co., Chartered Accountants (Firm Registration No. 302100E), shall continue to act as the Statutory Auditors of the Company on the existing terms and conditions of their appointment."

**4. REGULARISATION OF ADDITIONAL DIRECTOR, MS. NEHA SINGLA BY APPOINTING HER AS INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), the following Resolution(s) as Ordinary Resolution(s):

Mrs. Neha Singla (DIN-03280725), who was appointed as an Additional Director with effect from 28<sup>th</sup> March, 2022 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby severally authorized to sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

Special Business

**5. Ratification of remuneration to Cost Auditors**

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 Section 148 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including all statutory modifications of re-enactment thereof for the time being in force), M/s SDM & Associates, Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2021-22, be paid a remuneration of INR 30,000 per annum plus applicable service tax and out of pocket expenses that may be incurred.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary to give effect to the said resolution."

By Order of the Board of Directors  
For **T.C. Terrytex Limited**

Place: Sarsini

Dated: 06<sup>th</sup> September, 2022

**Akhil Satia**  
Managing Director  
DIN: 01138038

Note(s):

1. The relative Explanatory Statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 in concerning special business under Item No. 4 -6 of the notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE. THE BLANK PROXY FORM IS ENCLOSED HERewith. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.
3. The Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
4. All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days except Sundays and Holidays during office hours up to the date of the Annual General Meeting.
5. The shares of the company are not listed on any stock exchange.
6. The members are requested to bring the copy of Annual Report and Attendance Slip duly filled in to the Annual General Meeting.

By Order of the Board of Directors  
For T.C. Terrytex Limited



Place: Sarsini  
Dated: 06<sup>th</sup> September, 2022

Akhil Satia  
Managing Director  
DIN: 01138038

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013, the following statement sets out all material facts relating to the Special Business mentioned under Item No. 4 of the accompanying Notice:

### Item No-4

Mrs. Neha Singla was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> March, 2022, in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office only up to the date of the ensuing Annual General Meeting of the Company.

Mrs. Neha Singla is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

The Board is of the view that the appointment of Mrs. Neha Singla as Independent Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution No. 5 for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mrs. Neha Singla herself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution

### ITEM NO. 5

The Board, on the recommendations of the Audit Committee, has approved the appointment of M/s SDM & ASSOCIATES, Cost Accountants, Mohali of the Company to conduct the audit of Cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022 at the remuneration of Rs. 30,000/-.

In accordance with the provisions of the Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 5 of the notice for reappointment of the auditor and remuneration payable to the Cost Auditors for the financial year ending March 31<sup>st</sup>, 2022.

None of the Directors / Key managerial Personnel / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the notice for approval by the Shareholders.

Place: Sarsini

Dated: 06<sup>th</sup> September, 2022



**Akhil Satia**  
Managing Director  
DIN: 01138038

**DIRECTORS' REPORT**

Dear Members,

Your Directors take great pleasure in presenting the Annual Report on the business and operations of your Company, T.C.Terrytex Limited, along with the audited financial statement of accounts and the Auditors' Report for the financial year ended 31<sup>st</sup> March 2022. The highlights of the financial results for the year under review are given below:

**1. FINANCIAL SUMMARY**

The Company's financial performance, for the year ended March 31<sup>st</sup> 2022 is summarized below:

Particulars	(Amount in laes)	
	Standalone Year Ended	
	March 2022	31th March 31 <sup>th</sup> 2021
Revenue from Operations	54589.04	44592.73
Other Income	80.32	60.48
Profit Before Tax and extra ordinary and exceptional items	745.24	493.53
Exceptional items	-	0.45
Profit Before Tax	745.24	493.08
Current Taxes	124.40	82.30
Deferred Tax	99.86	-
Mat credit entitlement	(31.53)	(82.30)
Income Tax – previous year	-	(108.97)
Profit After Tax	552.52	602.05
Earnings Per Share ( Nominal Value of Share Rs. 10/-)	0.43	0.47
Basic/Diluted (Amt. in Rs.)		

**2. OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS**

The highlights of the Company's performance are as under:

During the financial year 2021-22, the export sales increase to INR 36812.85 lakhs from INR 26834.47 lakhs and the domestic sales decreased to INR 13176.12 lakhs from INR 13176.12 lakhs.



15164.92lakhs. During the year under review your Company has achieved a turnover of INR 54669.36 lakhs as against INR 44653.21 lakhs in the previous year thereby registering an overall growth in the year.

### **3. CHANGE IN NATURE OF BUSINESS.**

There has been no change in the nature of the business of the company during the period under review.

### **4. MATERIAL CHANGES AND COMMITMENTS**

During the year under review, there have been no material changes and commitments affecting the affairs/financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

### **5. DIVIDEND**

The Management has considered it prudent to plough back the profits into the business in view of proposed capex and working capital requirement for future growth prospects as such your Directors have decided not to recommend any dividend for the year under review.

### **6. TRANSFER TO GENERAL RESERVES**

In view of the further growth plan and planned investments of the Company. Your Directors have decided to retain 100% of Profit after Tax of the year under review for future expansion and propose to transfer to the General Reserve of the Company.

### **7. CHANGES IN SHARE CAPITAL**

Company redeemed 2000000 Preference shares @ Rs. 10/- each of 2,00,00,000 on 27<sup>th</sup> October 2021 out of profit available from Mr. Akhil Satia hence, the paid up Share Capital of the company as on 31.03.2022 is Equity Shares 1,29,31,82,800/- @ Rs. 10/- each and Preference Shares NIL.

### **8. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis and Corporate Governance Report for the year under review is presented in a separate section and forming part of this Annual Report.

### **9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company doesn't have any Subsidiary, Joint venture or Associate Company.

### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3) (c) & 134 (5) of the Companies Act, 2013 the Board of Directors hereby confirm, to the extent applicable that:

- a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed and there are no material departures from the same;



- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2022 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

During the year under review Mr. Sohan Lal, Director, resigned on 10.01.2022 and Mrs Reetu Barnala was appointed as additional independent director on 10.01.2022 further she resigned due to some personal reason on 21.01.2022. Mrs. Neha Singla was appointed as independent director on 28.03.2022.

As on 31.03.2022, the Board comprises of the following directors:

- |                  |   |                      |
|------------------|---|----------------------|
| 1. Akhil Satia   | : | Managing Director;   |
| 2. Sunil Kaura   | : | Whole time Director; |
| 3. Neha Sehgal   | : | Women Director;      |
| 4. Manjeet Singh | : | Independent Director |
| 5. Neha Singla   | : | Independent Director |
| 6. Rajeev Chopra | : | CFO                  |
| 7. Manjeet kharb | : | Company Secretary    |

#### **RE-APPOINTMENTS**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, and Mr. Sunil Kaura, Whole Time Director retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Necessary resolutions for the appointment and re-appointment of the aforesaid Directors have been included in the Notice convening the ensuing AGM and details of the proposal for appointment and re-appointment are mentioned in the Explanatory Statement to the Notice.

None of the directors are disqualified as per the provisions of sub section (2) of section 164 of the Companies Act, 2013.

#### **12. NO. OF MEETINGS OF THE BOARD**

The Board met twenty one (21) times during the financial year 2021-22 as against the minimum requirement of four (4) Board Meetings as per the Companies Act, 2013.



Below are the details of the meeting:

S No	Date of Meeting	Directors Present
1.	07.05.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
2	15.05.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
3	25.05.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
4	01.06.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
5	11.06.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
6.	02.08.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
7.	16.08.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
8	26.08.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh



		5. SohanLal
9	24.09.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
10	30.09.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
11	05.10.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
12	12.10.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
13	27.10.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
14	02.11.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
15	30.12.2021	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal
16	10.01.2022	1. AkhilSatia 2. Sunil Kaura 3. NehaSehgal 4. Manjeet singh 5. SohanLal



17	17.01.2022	1. Akhil Satia 2. Sunil Kaura 3. Neha Sehgal 4. Manjeet Singh
18	21.01.2022	1. Akhil Satia 2. Sunil Kaura 3. Neha Sehgal 4. Manjeet Singh
19	07.03.2022	1. Akhil Satia 2. Sunil Kaura 3. Neha Sehgal 4. Manjeet Singh 5. Neha Singla
20	28.03.2022	1. Akhil Satia 2. Sunil Kaura 3. Neha Sehgal 4. Manjeet Singh 5. Neha Singla
21	31.03.2022	1. Akhil Satia 2. Sunil Kaura 3. Neha Sehgal 4. Manjeet Singh 5. Neha Singla

### **13. MEMBERS MEETINGS**

Annual General Meeting was held on 30.11.2021 And Extra Ordinary General Meeting was held on 28.01.2022 at the registered office of the Company at Village Sarsini, Ambala - Chandigarh Highway, Near Lalru, Tehsil, Derabassi. Remuneration

### **14. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with the related parties were either in the ordinary course of business and on an arm's length basis or approval as required were taken as per section 188 of Companies Act, 2013 and relevant rules. Further, during the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material for the approval of the shareholders in the general meeting.

The particulars of Contract or arrangements with related parties referred to in Section 188 (1), as prescribed in Form AOC -2 of the rules prescribed under Chapter IX relating to Accounts of the Companies under the Companies Act, 2013 is appended as **Annexure I**

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



The Provisions relating to constitution of CSR committee are not applicable to the Company but in F.Y. 2021-22. The company has earned Net Profit of Rs. 552.52 lakh during the Financial year 2021-22. Hence, the provisions of Section 135 of Companies Act, 2013 along with related rules have become applicable from F.Y. 2022-2023, The Management is under the process to constitute a CSR Committee and draft CSR Policy as per the provision of the Companies Act, 2013 and related rules. The Committee will ensure that the required amount is spent on CSR activities as per the Companies Act, 2013.

## **16. RISK MANAGEMENT**

The Board of Directors of the Company and the Audit Committee periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, together form the Best Management System (BMS) that governs how the Company conducts the business and manages associated risks.

The Company has introduced several improvements such as Internal Controls Management and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by Internal Audit methodologies and processes.

## **17. INTERNAL FINANCIAL CONTROLS**

As per Section 134(5)(e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented adequate internal financial controls with reference to financial statements. During the year, such control Systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by the Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee of the Company.

During the year, controls were tested and no reportable material weakness in design and effectiveness was observed.

## **18. DECLARATION BY INDEPENDENT DIRECTORS.**

Mrs. Reetu Barnala was appointed as additional Independent Director on 17.01.2022 and she resigned due to some personal reason on 21.01.2022 and Mrs. Neha Singla Was appointed as additional independent director on 28.03.2022. Based upon the confirmation/ disclosures received from Independent Directors, the Board is of the opinion that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 & the Rules made thereunder.



## **19. BOARD EVALUATION**

The evaluation of individual directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. In the Company's board Mrs. Reetu Barnala was appointed as additional Independent Director on 17.01.2022 and she resigned due to some personal reason on 21.01.2022 and Mrs. Neha Singla Was appointed as additional independent director on 28.03.2022, and at the end of the year company has **Two** executive directors (one is Managing Director and other **One** is Whole Time Director, **One** (Non- Executive) director women director and **Two** Independent Director. The composition of Board represents an optimal mix of professionals, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution through circulation, as permitted by law, which are confirmed in the subsequent Board meeting. The Agenda for the Board meeting includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

### **Discussion with the Independent directors**

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made there under, the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent and managers of the management. All the independent directors of the Company shall strive to be present at such meetings. The meeting shall review the performance of non-independent directors and the Board as a whole, review the performance of the Chairman of the Board, taking into account the views of the executive directors and non-executive directors, assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

## **20. AUDITORS AND AUDITORS' REPORT**

### **A. Statutory Auditors**

M/s RAV ASSOCIATES., Chartered Accountants, 1225/1, Sector-34C, Chandigarh, having ICAI registration No. 021000N, were appointed as the Statutory Auditors for a period of five years till AGM to be held in 2021, in the AGM held for 2021, Statutory Auditor M/s RAV ASSOCIATES, due to some personal reasons gave their unwillingness to be further appointed as Statutory Auditor of the company. The Company could not appoint Statutory Auditors' in the AGM.



Thereafter in the EGM held on 28<sup>TH</sup> January, 2022, on the recommendation of the Audit Committee, appointed **M/s J. Mandal And Co., Chartered Accountants** 401, Sector 16 Panchkula Haryana-134113, Having ICAI registration no. 302100E as Statutory Auditors of the Company for 5 years till AGM to be held in 2026.

The Statutory Auditors **M/s J. Mandal And Co., Chartered Accountants** have submitted their report on financial state of affairs of your Company for the financial year ended 31<sup>st</sup> March, 2022. The report of Auditor's and notes on accounts is self-explanatory and to the qualified opinion of Auditors, the Board's explanation is as follows:

**Auditors Emphasis:**

NIL

**B. Cost Auditors**

The Companies (Cost Records and Audit) Rules, 2014 the Company being covered under criteria for the purpose of audit of cost records as per the new cost audit rules, 2014.

M/s SDM & ASSOCIATES, Cost Accountants, Mohali, Punjab in their Board Meeting held on 16<sup>TH</sup> August, 2021 on recommendation of the Audit Committee Appointed for the audit of Cost Record for financial year 2021-22 subject to ratification of remuneration by members in Annual General Meeting.

The Cost Auditor M/s, SDM & Associates, Cost Accountants have submitted their report on Cost record of your Company for the financial year ended 31<sup>st</sup> March, 2022. The report of Auditor's is self-explanatory and observations and suggestions made by cost auditor are as under

**- A. Dyed Yarn**

- Company purchase or manufacture yarn in kilograms whereas final product i.e. towel is sold in pieces. There must be some reconciliation of Kilograms v/s pieces or meters.
- Per unit cost of production has increased by 18.39% from Rs.258.53 to Rs. 306.08 resulting company has incurred operational loss of Rs. 7.10 per kg.
- On scrutiny of cost sheet, it is found that Per unit cost of raw material consumption has increased by 25.37% to Rs 263.47 (PY Rs. 210.16).
- Utility cost per unit has also increased to Rs. 12.78 (PY Rs. 7.42) which is increased by 72.32%. Also consumable stores and spares has gone up by 54.41%.
- Debt to equity ratio has increased CY 0.67 (PY 0.5) which indicates that the company is borrowing more funds from outside.



- While going through the ratio analysis, it has been observed that though the inventory position as on 31.3.2022 has improved but still there is scope for improvement.

### **C. Secretarial Auditor**

M/s Neeraj Jindal & Associates, Company Secretaries, Chandigarh, the Secretarial Auditor of the Company appointed by the Board of Directors as Secretarial Auditors for the financial year 2021-22. The Auditors have submitted their Secretarial Audit Report for the financial year ended March 31, 2022 and is annexed herewith as **Annexure II** to this Report.

The Report is self-explanatory, apart from following observations as made:

Apart from observations and emphasis in Statutory Auditors' Report and Cost Auditors' Report for F.Y. ended 31.03.2022, following observations are made during secretarial Audit.

- (a) *Shiv Parivar trust(not registered) is shown as the shareholder in the company where as the registered share holders is one of the trustees for which form MGT 6 has been filed, who in turn holds the shares for beneficial interest of the trust. It is suggested to change the name to the one as shown MGT 6 as registered shareholder.*
- (b) *There were certain instance wherein the Company have delayed in filing the returns / disclosures with Registrar of Companies and the Company has paid additional fees for the same..*

Company will do the needful in the f.y. 2022-2023 to comply.

M/s Neeraj Jindal & Associates, Company Secretaries, Chandigarh, in their Board Meeting held on 02<sup>nd</sup> August, 2022 appointed as Secretarial Auditor for financial year 2021-2022.

### **D. Internal Auditors**

Mr. Rohit Jain, partner of M/s Jain Rohit & Co, Chartered Accountant, is the Internal Auditors of your Company was appointed on 02<sup>nd</sup> August 2022.

The Internal Auditors have reviewed the design and operating effectiveness of various process covering the surveillance, operational, statutory compliances, business development, administrative, human resource, financial & accounting aspects of your Company.

The Internal Auditors were satisfied with the management response on the observation and recommendations made by them during the course of their audit and have expressed satisfaction with the internal systems, controls and process followed by your Company.

### **21. COMMITTEES OF THE BOARD**

During the year under review and in accordance with the Companies Act, 2013 and other laws the Company currently has the following committees as under:



Audit Committee

Nomination and Remuneration Committee

Stakeholder Relationship Committee

Details of all the Committees along with their compositions and meetings held during the year are provided in **Annexure III** to the Report.

## **22. COMPANY POLICY(S)**

The Company has adopted the following Policies the details are attached as **Annexure IV, V** respectively.

- (a) Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees.
- (b) Vigil Mechanism & Whistle Blower Policy.

The audit committee of the Company oversees the procedures of vigil mechanism for directors and employees to report their genuine concerns or grievances.

## **23. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided as under:

Name of the Entity	Relation	Amount in Rs.	Particulars of Loans, Guarantees and Investments	Purpose for which the loan, guarantee and investment are proposed to be utilized
UBI KBC Mutual Funds	Investment	140.50	Investment	-
IOB Gold Sovereign Bond	Investment	-	Investment	-
FDR given to SBI as collateral security against the credit facility availed from consortium.	Investment	236.55	Investment	



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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure VI** to this Report.

## **25. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013 an extract of Annual Return in the prescribed format MGT – 9 is annexed herewith as **Annexure VII** to this Report.

## **26. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Rules 5(2) and 5(3) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the information and other particulars of the employees was in receipt of remuneration at a rate which is in aggregate was not less than One Crore and Two Lacs rupees is as under: **NIL**

## **27. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act. Nil
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme or provision of money in accordance with any scheme approved by company through special resolution for the purchase of fully paid-up shares in the company held by trustees for the benefit of the employees of the company or such shares held by the employees of the company.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. 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.

## **28. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is committed to promote a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity.

The following is a summary of sexual harassment complaints received and disposed off during the



year 2021-22.

No of complaints received : Nil

No of complaints disposed off : Nil

## **26. Details of Application Made or Proceeding Pending, If Any Under The Insolvency And Bankruptcy Code, 2016.**

During the year under review, no application has been made nor is any application pending by/against the Company under the Insolvency and Bankruptcy Code, 2016.

## **27. Details Of Difference Between Amount Of The Valuation Done At The Time Of One Time Settlement And The Valuation Done While Taking Loan From The Banks Or Financial Institutions.**

During the year under review, there was no instance of onetime settlement with any Bank/Financial Institution. Hence, the disclosure relating to difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks/Financial Institutions is not applicable to the Company.

## **28. Secretarial Standards**

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

## **29. ACKNOWLEDGEMENT**

The Board of Directors acknowledges with gratitude the co-operation and assistance provided to your company by its bankers, financial institutions, government and other agencies. Your Directors thank the customers, vendors and other business associates for their continued support in the company's growth.

Your Directors also wish to place on record their appreciation to the contribution made by employees because of which, the Company has achieved impressive growth through the competence, hard work, solidarity and co-operation at all levels.

*For and on behalf of Board of Directors*

**T.C. Terrytex Limited**



Sunil Kaura

Whole time Director

DIN: 05126396

Place: Sarsini

Dated: 06.09.2022

## ANNEXURE I

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

S l.	Name(s) of the related party and nature of relationship:	Nature of contracts/arrangements/transactions:	Duration of the contracts / arrangements/ transactions:	Salient terms of the contracts or arrangements or transactions including the value, if any:	Justification for entering into such contracts or arrangements or transactions:	Date(s) of approval by the Board:	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<i>Nil</i>								

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

Details of Related party transactions of the company, with its promoters, the directors

S No	Name(s) of the related party and nature of relationship:	Nature of contracts/arrangements/transactions:	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)	
I.	Sabhyata Mehra  (Relative Of KMP)	Employment	One year	25.20 Lakhs P.A.		Nil



Details of Related party transactions of the company, with its promoters, the directors or the Management, the irrelative or with the subsidiaries of the Company etc. are present under Note No: 2.11.2 (other information) with Annual Accounts of financial Year ending 31.03.2022.



For and on behalf of Board of Directors  
T.C. Terrytex Limited

Place: Sarsini  
Dated: 06.09.2022

Sunil Kaura  
Whole time Director  
DIN: 05126396

*ANNEXURE II*  
*Form No. MR-3*  
*SECRETARIAL AUDIT REPORT*

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration of Managerial Personnel)  
Rules, 2014]*

To,

The Members,  
T.C.TERRYTEX LIMITED  
Village Sarsini, Amb-Chd Highway  
Near Lalru, Tehsil- Derabassi  
Lalru, Punjab-140501

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by T.C. Terrytex Limited. (here inafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1<sup>st</sup> April, 2021-22 to 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by ("The Company") for the financial year ended on 31st March, 2022 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under subject to notes given at the end of this report;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable to the company) ;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (to the extent applicable to the company)

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company)

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 (Not applicable to the company);
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(Not applicable to the company);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the company);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the company);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the company);
- (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 (Not applicable to the company);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company);

(VI) Based on the certificates received from Managing Director of the company by and large the company has been complying with various provisions of Industrial and Labour Laws, Taxation Laws and other applicable laws/act, central/state government regulations as applicable to T.C. TERRYTEX LIMITED Standalone Financial Statements for period 01/04/2021 to 31/03/2022 them and as has been certified by the Managing Director.

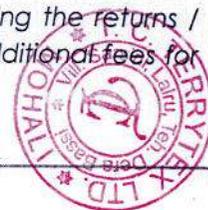
We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as applicable on date.
- (ii) The Listing Agreements entered into by the Company with ..... (Not Applicable)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations as made:

(c) *Shiv Parivar trust(not registered) is shown as the shareholder in the company where as the registered shareholders is one of the trustees for which form MGT 6 has been filed, who in turn holds the shares for beneficial interest of the trust. It is suggested to change the name to the one as shown MGT 6 as registered shareholder.*

(d) *There were certain instance wherein the Company have delayed in filing the returns / disclosures with Registrar of Companies and the Company has paid additional fees for the same.*



I further report that

As per our observations at *point d and e* above the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive 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.\*(Subject to notes given at the end of this report)

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

Majority Decision is carried through while the dissenting member's views are captured and recorded as part of minutes.

We further report that as represented by the company and relied upon by us and based on the information received and records maintained, 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.

\*Notes:

1. We have relied on the financial statements as approved by the Board of Directors and submitted to the Statutory Auditors and we have also relied on the report of Statutory Auditors.

This Secretarial Audit Report has to be read along with the covering letter signed on the even date.

Place: Chandigarh.

Date: 06.09.2022.

For Neeraj Jindal & Associates

Sd.

Company Secretaries

CS Neeraj Jindal

M. No. F8270

CP No. 9056

**UDIN : F008270D000922678**



To

The Members,  
T.C.TERRYTEX LIMITED  
Village Sarsini, Amb-Chd Highway,  
Near Lalru, Tehsil- Derabassi,  
Lalru, Punjab-140501

T.C. TERRYTEX LIMITED Standalone Financial Statements for period 01/04/2021 to 31/03/2022

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on the secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh.

Date: 06.09.2022

For Neeraj Jindal & Associates

SD/-

Company Secretaries

CS Neeraj Jindal

M.No. F 8270

CP No. 9056.

**UDIN : F008270D000922678**



## COMMITTEE(S) OF THE BOARD

The Board Committee(s) play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a close review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

The Minutes of the meetings of all Committees are placed before the Board for their review and recommendations.

Currently the Board has two committees:

1. Audit committee; and
2. Nomination and Remuneration Committee.

The Executive Chairman of the Board, in consultation with the Company Secretary and the committee chairperson, determines the frequency and duration of the committee meetings.

The quorum for meetings is either two members or one-third of the members of the committee, whichever is higher.

### A. AUDIT COMMITTEE

Our Audit Committee ('the committee') comprises two Independent Directors and one Executive Director Mr. SohanLal, Director was resigned on 10.01.2022 and Mrs Reetu Barnal was appointed as additional independent director on 10.01.2022 further she resigned due to some personal reason on 21.01.2022. Mrs Neha Singla was appointed as independent director on 28.03.2022 was added as a member of audit committee.

All the members of the Audit Committee have relevant experience in financial matters.

The Company Secretary acts as the secretary to the committee.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and *inter alia* performs the following functions:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.*
- Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.*
- Reviewing with the management the annual financial statements before submission to the Board*
- Reviewing the Company's financial and risk management policies.*



- v. *Reviewing with the Management, external and internal auditors, the adequacy of internal control systems.*
- vi. *Recommending the appointment and removal of external auditors, fixation of audit fee.*

the Board adopted the Vigil Mechanism Policy to report their genuine concerns or grievances. It also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that no director or employees has been denied access during fiscal 2022.

During the year under review each and every recommendation made by the Audit Committee has been reviewed and accepted by the Board. There are no such matters which require disclosure and reasons for non-acceptance of the recommendation of Audit Committee.

The Audit Committee met four times in financial year 2022 viz on 21<sup>st</sup> June, 2021, 01<sup>st</sup> September, 2021, 06<sup>th</sup> December 2021 and 07<sup>th</sup> January, 2022. The names and categories of the members their attendance at audit committee meetings held during the year are as under.

Name	Category	Designation	Number of Meetings held during the year 2021-22	
			Held	Attended
Mr. Akhil Satia	Managing Director	Member/Chairman	4	4
Mr. Manjeet Singh	Independent Director	Member/Chairman	4	4
Mr. SohanLal	Independent Director	Chairman	4	4

## **B. NOMINATION AND REMUNERATION COMMITTEE**

The Company has constituted a Nomination and Remuneration Committee in order to be consistent with the requirements of the Companies Act, 2013.

The Committee has been entrusted with the responsibilities to identify persons who are qualified to become directors and who may be appointed in the Senior Management. The committee shall recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and ensure its implementation and approve the Annual Remuneration Plan of the Company.

Our Nomination and Remuneration Committee comprises of Mr. Manjeet Singh, Independent Director as its Chairman, Mr. SohanLal, Independent Director and Ms. Neha Sehgal (Non-Executive Director) as its members. The meetings of the Committee were held on 14<sup>th</sup> June, 2022 and 02<sup>nd</sup> December, 2022 during the year.



The names and categories of the members their attendance Nomination & Remuneration Committee meetings held during the year are as under:

Name	Category	Designation	Number of Meetings held during the year 2021-22	
			Held	Attended
Mr. Akhil Satia	Executive Director	Member	2	2
Mr. Manjeet Singh	Independent Director	Member/Chairman	2	2
Mr. SohanLal	Independent Director	Member	2	2

For and on behalf of Board of Directors  
T.C. Terrytex Limited



Sunil Kaura  
Whole time Director  
DIN: 05126396

Place: Sarsini  
Dated: 06.09.2022

## ANNEXURE IV

### **Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees**

The Company considers human resources as its invaluable assets. The Company has adopted policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of the Companies Act, 2013 in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

#### **Objective and purpose of the policy**

To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluating the CEO's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and making recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to board approval;

The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.

To formulate the criteria for evaluation of performance of all the Directors on the Board;

To devise a policy on Board diversity; and

To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

#### **Constitution of the Nomination and Remuneration Committee**

The Board has constituted the "Nomination and Remuneration Committee" of the Board. This is in line with the requirements under the Companies Act, 2013 ("Act").

The Board has authority to reconstitute this Committee from time to time.

The Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers remuneration and perquisites etc.

#### **Part – A**

#### **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The following matters shall be dealt by the Committee:-

*(a) Size and composition of the Board:*



Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(c) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(d) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity policy.

(e) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- (a) the remuneration of the Managing Director, Whole-time Directors and KMPs
- (b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- (c) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to
  - (i) attract and motivate talent to pursue the Company's long term growth;
  - (ii) demonstrate a clear relationship between executive compensation and performance; and
  - (iii) be reasonable and fair, having regard to best governance practices and legal requirements.
- (d) the Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;
- (e) the Company's superannuation arrangements and compliance with relevant laws and



regulations in relation to superannuation arrangements; and

(f) The Company's remuneration reporting in the financial statements and remuneration report.

## **PART – B**

### **Policy for appointment and removal of Director, KMPs and Senior Management**

#### *Appointment criteria and qualifications*

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

#### **Term / Tenure**

##### **1. Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **2. Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven in case of listed and ten in case of unlisted public companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.



## Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

## Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

## PART – C

### **Policy relating to the remuneration for Directors, KMPs and other employees**

#### *General*

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### *Remuneration to KMPs and other employees*

The policy on remuneration for KMPs and other employees is as below:-

#### 1. Fixed pay

The remuneration and reward structure for employees comprises two broad components — annual remuneration and long-term rewards. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

These guidelines are as under:

#### a) Annual remuneration

Annual remuneration refers to the annual compensation payable to the employees of the Company. This may comprise in two parts - a fixed component, and a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit. Every employee is required to sign a performance contract i, e. KRAs, which clearly articulates the key performance measures for that particular defined role. The performance-linked variable pay will be directly linked to the performance on individual



components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.

The objective is to set the total remuneration at levels to attract, motivate, and retain high-caliber, and high potential personnel in a competitive global market.

#### b) Long-term rewards

Long-term rewards may include Long-Term Incentive Plans (LTIP) under which incentives would be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organisation, and length of service under the supervision and approval of the Committee. The company could implement various long term awards schemes that could include Long Term Incentive Programme (LTIP) spread over several years with payouts in multiple tranches linked to Company's performance. Another form of long term awards could be in the nature of stock options of the company. Stock Options may be granted to key employees and high performers in the organisation who would be selected by the Committee based on their criticality, past performance and potential. The grant, vesting and other scheme details would be formulated from time to time.

These long-term reward schemes are implemented to attract and retain key talent in the industry.

#### 2. Minimum remuneration to Managing Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### Remuneration to Non-Executive / Independent Directors

##### 1. Remuneration

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

##### 2. Stock options

The Independent Directors shall not be entitled to any stock option of the Company.

#### Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules there under. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.



For and on behalf of Board of Directors

T.C. Terrytex Limited



Sunil Kaura  
Whole time Director  
DIN: 05126396

Place: Sarsini  
Dated:06.09.2022

## **VIGIL MECHANISM & WHISTLE BLOWER POLICY**

Your Company in compliance of Section 177 of the Companies Act, 2013 has established and adopted a vigil mechanism and whistle policy for the directors and employees to report genuine concerns in such manner as may be prescribed.

### **BROAD POLICY OBJECTIVES**

The vigil and whistle blower mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

### **INVESTIGATION**

All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee (AC) may investigate and may at its sole discretion consider involving any other Officer of the Company including Vigilance and Security Superintendent of the Company for the purpose of investigation.

### **DECISION AND REPORTING**

Audit Committee along with its recommendations will report its findings to the Managing Director through the nodal officer within 15 days of receipt of report for further action as deemed fit. In case *prima facie* case exists against the subject, then the Managing Director shall forward the said report with its recommendation to the concerned disciplinary authority for further appropriate action in this regard or shall close the matter, for which he shall record the reasons. Copy of above decision shall be addressed to the Audit Committee, the Nodal Officer, the complainant and the subject.

### **SECRECY / CONFIDENTIALITY**

The complainant, Nodal officer, Members of Audit committee, the Subject and everybody involved in the process shall maintain confidentiality of all matters under this Policy; discuss only to the extent or with those persons as required under this policy for completing the process of investigations; Not keep the papers unattended anywhere at any time; keep the electronic mails / files under password.

### **PROTECTION**

A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

### **ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable



directions in this regard.

**ADMINISTRATION AND REVIEW OF THE POLICY**

The Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Managing Director also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

For and on behalf of Board of Directors  
T.C. Terrytex Limited



Sunil Kaura  
Whole time Director  
DIN: 05126396

Place: Sarsini  
Dated: 06.09.2022

ANNEXURE VI

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

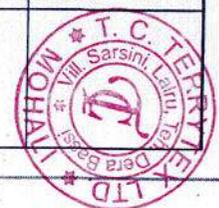
Information under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report of the year ended March 31, 2022

<b>A. CONSERVATION OF ENERGY</b>	
i) The steps taken or impact on conservation of energy.	<p>i) The conservation of energy is a continual activity(s). The company is putting a lot of emphasis/efforts on energy savings measures. It has been Company's continuous endeavor to follow strict guidelines and standard on preventive maintenance.</p> <p>Preventive maintenance is performed on some of the basic mechanical components through knowledge of replacement and alignments of parts thereby saving energy for the Company.</p>
	<p>ii) Maintenance of machines play a vital role in energy saving. We undertake preventive maintenance on regularly intervals to make machines &amp; utilities in perfect running condition.</p>
ii) The steps taken by the Company for utilizing alternate sources of energy.	<p>The Company's captive biomass (rice husk) power plant has further reduced its power cost, besides independence in providing continuous power supply. It has resulted in reducing breakdown time of the machinery thus improving sales realizations</p>
iii) The capital investment on energy conservation equipment;	<p>i) The Company has replaced incandescent lighting with compact fluorescent lighting (CFL) and LED both indoors and outdoors.</p>



iv) Power and Fuel Consumption:

1. Electricity	Particular	UOM	2021-22	2020-21
	(a) Purchased			
	Units	Kwh	24801168	22347645
	Total amount	Rs.	160180274	146530862
	Rate/unit	Rs./KWH	6.42	6.54
	(b) Own generation			
	(i) Through diesel generator			
	Units	Kwh	163800	54600
	Units per ltr. of diesel oil	Kwh	4.20	4.20
	Cost/unit	Rs./KWH	20.47	17.87
	(ii) Through steam turbine			
	Units	Kwh	0	0
	Total amount	Rs.	0	0
	Cost/units	Rs./Kwh	0	0
2. Diesel (specify quality and where used)	Quantity	Ltrs	39000	13000
	Total cost	Rs.	3353777	975910
	Average rate	Rs./Ltrs	85.99	75.07
3. Steam	Particular	UOM		



	Quantity	Mt.	95672	85672
	Total amount	Rs.	194715241	97953346
	Average rate	Rs/Mt.	2.04	1.14
4. Others/Internal Generation				
	Quantity		N.A	N.A
	Total cost		N.A	N.A
	Rate/unit		N.A	N.A
B. Consumption				
Towels	Quantity	Qtls	0	0
Electricity	Per Unit Consumption	Kwh / Qtls	0	0

## B. TECHNOLOGY ABSORPTION

i) the efforts made towards technology absorption;	The Co has adopted various products for steam and condensate recovery system from one of the leading vendors of the sector.
ii) the benefits derived like product improvement, cost reduction, production development, import substitution;	Which results in the reduction in steam generation cost
iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):	NA
a. the details of technology imported ;	NA
b. the year of import;	NA
c. whether the technology been fully absorbed;	



d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof; and	NA
iv) the expenditure incurred on Research and Development.	NA

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	Amount in Lakhs	
	As on 31.03.2022	As on 31.03.2021
Earnings	36739.79210	26399.14
Outgo	886.64811	149.51

For and on behalf of Board of Directors  
T.C. Terrytex Limited



Sunil Kaura  
Whole time Director  
DIN: 05126396

Place: Sarsini  
Dated: 06.09.2022