



# Haryana Texprints (Overseas) Limited

## DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting the 25th Annual Report and Audited Accounts for the year ended on 31st March, 2017.

### I. FINANCIAL PERFORMANCE:

	(₹ in Lakhs)	
	2016-17	2015-16
Turn Over & Other Income	8476.45	8054.50
Profit before Interest & Depreciation	566.11	495.65
Interest & Finance Charges	246.79	202.85
Cash Profit	319.32	292.80
Depreciation	161.99	102.25
Profit for the year before Tax	157.33	190.56
Current Tax	32.08	69.76
Tax Adjustments for earlier year	0.88	0.00
Deferred Tax Charges	28.39	- 6.69
Mat Credit	-11.33	0.00
Profit after Tax for the year	107.31	127.49
Add : Surplus Opening	461.22	398.91
Amount available for appropriation	568.53	526.40
Dividend Re.0.10 per share of face value Re.1/-	0.00	50.00
Tax on Dividend	0.00	10.18
Transfer to General Reserve	0.00	5.00
Surplus to be carried Over	568.53	461.22

### DIVIDEND:

In view of inadequacy of the profits your Directors do not recommend any dividend for the year under review.

### OPERATIONS:

During the year under review turnover and other income of the Company was Rs.8476.45Lacs as compared to Rs. 8054.50 Lacs during the previous year showing an increase of 5.24%. Due to stiff price competition in the international market the exports during the year under review gone down to Rs.108.15Lacs as compared to Rs. 1103.03 Lacs during the previous year.However, the Company's products continued to be well accepted in the local and international market and your Director's are optimistic towards improvement in the Sales Turnover and the Profitability in the years ahead.

Profit margins during the year under review reduced to Rs. 157.33 Lacs in comparison to the previous year Rs. 190.56 Lacs due to higher depreciation of Rs. 161.99 Lacs during the year under review in comparison to Rs. 102.25 Lacs in the previous year.

Modernization of plant through technological upgradation continued during the year under review and your Directors are of the view that it will continue in years ahead to be more competitive in the local and international market by producing quality products at a lower cost with savings in power and labour costs etc.

**FINANCE:**

Jammu & Kashmir Bank Limited sanctioned Term Loan of Rs. 533 Lacs and enhanced the Working Capital Limits by Rs. 200 Lacs during the year under review towards purchase of Machines under TUFS and to meet the enhanced working capital requirements to cope up the increase in sales turnover of the company during the year under review and ensuing financial year 2017-18.

**II. DISCLOSURE UNDER THE COMPANIES ACT,2013:****1. EXTRACT OF ANNUAL RETURN U/S 92(3):**

The details forming part of the extract of the Annual Return in Form MGT-9 is enclosed as “Annexure-“A”

**2. NUMBER OF BOARD MEETINGS:**

The Company had 7(Seven) Board Meetings during the Financial Year ended 31st March, 2017.

**3. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 in respect of Director's Responsibility Statement your Directors state that:

- a) That in the preparation of the Annual Accounts for the Financial Year ended on 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were responsible and prudent so as to give true and fair view of the State of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the year under review.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act of safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the Annual Accounts for the year ended on 31st March, 2017 on going concern basis.
- e) Proper internal financial controls were laid down and such internal financial controls were adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively.

**4. EXPLANATION OR COMMENTS ON AUDITORS' REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimer made by the Statutory Auditors in their Audit Report.

**5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Particulars of loans, guarantees and investments under Section 186 of the Companies Act, 2013 form part of the notes to the financial statement provided in this Annual Report. These loans / guarantees are primarily granted for the furtherance of business of the Company.

**6. RELATED PARTY TRANSACTIONS:**

All contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as Annexure “B” to this report.

**7. STATE OF COMPANY'S AFFAIRS:**

In view of inordinate increase in the listing fees during last 2-3 years and huge compliances to the Listing Obligation and Disclosure Requirements (LODR) of SEBI / Stock Exchanges, your Directors opted for Delisting from BSE Ltd. etc. during the year under review. An Order No. DCS/DL/RK/602/16-17 Dt.



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December 13, 2016 received from BSE LTD. delisting the shares of the company from December 27, 2016 from the Exchange records.

**8. AMOUNTS PROPOSED TO BE CARRIED TO RESERVES:**

Your Company skipped the payment of Dividend and accordingly, no amount proposed to be carried to reserves during the year under review.

**9. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY:**

There are no adverse material changes or commitments occurring after 31st March, 2017 which may affect the financial position of the Company or may require disclosure.

**10. CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE EARNING AND OUT GO:**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014 are annexed herewith as Annexure "C" to this report.

**11. RISK MANAGEMENT POLICY:**

The Company has laid down well defined risk management mechanism covering the risk exposure, potential impact and risk mitigation process. The Board periodically reviews the risk and suggests steps to be taken to control and mitigate the same through a properly defined frame work.

**12. CORPORATE SOCIAL RESPONSIBILITY :**

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the Company.

**13. ANNUAL EVALUATION:**

In compliance with the Companies Act, 2013, the performance evaluation of the Board and that of its Committees and individual directors was carried out during the year under review. The Directors expressed their satisfaction with the evaluation process.

**14. CHANGE IN THE NATURE OF BUSINESS:**

During the year under review, there has been no change in the nature of business of the Company.

**15. DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL:**

Shri R.N. Maheshwari, Whole Time Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Key Managerial Personnel (KMP) appointed during the F.Y. 2016-17: None.

Key Managerial Personnel (KMP) resigned during the F.Y. 2016-17 : None

**16. NAMES OF THE COMPANIES WHICH HAVE BECOME / CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR :**

The company did not have any subsidiaries or joint ventures and there was no change in the associate company during the year.

**17. DEPOSITS :**

The company has not accepted deposits under Chapter V of the Companies Act, 2013.

**18. SIGNIFICANT AND MATERIAL ORDERS :**

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



**19. INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to the financial statement. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

**20. VIGIL MECHANISM:**

In pursuant to the provisions of Section 177(9)&(10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to Report genuine concerns has been established. In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Company has adopted a Vigil Mechanism Policy.

**21. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The dividend remaining unclaimed for seven years is now required to transfer to the "Investor Education and Protection fund" established by the Central Government and you shall have to claim any unpaid dividend from the said fund thereafter.

**22. The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014 are**

- a) Employed throughout the year : Nil
- b) Employed for part of the year : Nil

**23. SHARES:**

**a) Buy Back of Securities:**

The Company has not bought back any of its securities during the year under review.

**b) Sweat Equity:**

The Company has not issued any Sweat Equity Shares during the year under review.

**c) Bonus Shares:**

No Bonus Shares were issued during the year under review.

**d) Employees Stock Option Plan:**

The Company has not provided any Stock Option Scheme to the employees.

**III. AUDITORS :**

**Statutory Auditors:**

At the 22nd Annual General Meeting of the Company held on 29th September, 2014, the Company had appointed M/s Doogar & Associates, Chartered Accountants, Auditors of the Company to hold office until the conclusion of Twenty fifth Annual General Meeting as per the provisions of Section 139 of the Companies Act, 2013. Their appointment for the further period of 5(Five) years i.e. upto the Thirtieth Annual General Meeting is to be approved by the Shareholders in the ensuing Annual General Meeting. Certificate from the Auditors have been received to the effect that their reappointment, if made, would be within the prescribed limit under Section 141(3)(g) of The Companies Act, 2013. The observation in the Auditor's Report are dealt within the notes to account at appropriate places and being self-explanatory need no other explanations.

**IV. APPRECIATION:**

Your Directors would like to express their gratitude for the assistance and co-operation received from the Bank, Financial Institutions and Government Agencies during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the devoted services of executives, staff and workers of the Company

For and on Behalf of the Board of Directors

Place : Faridabad  
Date : 30.08.2017

**N.P. Jhanwar**  
Managing Director  
DIN 00401788

**R.N. Maheshwari**  
Executive Director  
DIN 00401993