

Name of Director Directorship	Status in committee	Nature	of
Mr. Shirish Rampure	Chairman	Independent Director	
Mr. Mrugank Gohil	Member	Independent Director	
Mrs. Amita Nyaynit Executive)	Member	Director (Non	

TO BE PRINTED ON THE LETTERHEAD OF THE CO. WITH CIN

BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their **13th Annual Report** of the Company together with the Audited Statements of Accounts for the year ended **31st March, 2019**.

FINANCIAL RESULTS / STATE OF COMPANY'S AFFAIRS:

The summarized standalone results of your Company are given in the table below:

Amt. in "Rupees"

Particulars	Financial Year Ended	
	31/03/2019	*31/03/2018
Revenue from operation	814,444,518	645,245,154
Other Income	662,285	761,967
Total Income	815,106,803	646,007,121
Profit/(loss) before Depreciation & Tax	17,073,155	60,801,725
Less: Depreciation	13,537,074	1,571,719
Less: Provision for Income Tax (including for earlier years)	1,825,753	12,192,656

Mat Credit	--	576,968
Less: Provision for Deferred Tax	4,755,508	7,470,540
Tax Exp of Previous years	(5,547,047)	--
Net Profit/(Loss) After Tax	2,501,867	40,143,778

OPERATION REVIEW:

During the year under review, the Company has continued its efficient performance in terms of revenue during the year 2018-19 income from sales has grown to Rs. 815,106,803/- (Rs. Eighty One Crore Fifty One Lakh Six Thousand Eight Hundred And Three Only) as against Rs. 643,389,966/- (Rs. Sixty Four Crore Thirty Three Lakh Eighty Nine Thousand Nine Hundred And Sixty Six Only) in the previous year. The company has made net profit after tax of Rs. 2,501,867/- (Rs. Twenty Five Lakh One Thousand Eight Hundred And Sixty Seven Only) as against Rs. 40,714,379/- (Rs. Four Crore Seven Lakh Fourteen Thousand Three Hundred And Seventy Nine Only) in the previous year.

Moving ahead, we are affirmed that Company will improve its performance and generate expected revenues in coming years.

During the year, the Company has been listed on the National Stock exchange – Emerge Platform w.e.f. 29th March, 2019. The company was able to raise close to Rs. 6.06 Crore funds through Initial Public Offer (IPO) of 23.10 lakhs equity shares of Rs. 10/- each at a premium of Rs. 26/- per shares which are being put to use for working capital purpose, general corporate purpose and meeting the issue expense. The unutilized portion of these funds have been currently kept with the bank.

DIVIDEND:

To strengthen the financial position of the Company, your Directors are not recommending any dividend for the financial year under review.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds as contemplated under Section 125 of the Act lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

NATURE OF BUSINESS:

Your Company continued to be engaged in the business of designing and dyeing of fabrics or fashion wears. There is no change in the Nature of Business of the Company during the year under review.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

Your Directors reviewed the details of Business Operations done during the year:

- a. Offerings and Profitability**
- b. Sales**
- c. Marketing and Market Environment**
- d. Future Prospects including constraints affecting due to policies.**

HOLDING COMPANY

Your Company does not have any holding company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company.

LISTING OF EQUITY SHARES:

We are happy to inform you that your Company had come out with a public issue of 2,310,000 Equity Share for Rs. 36 each including a share premium of Rs. 26/- per equity share and the shares have been listed on the NSE (National Stock Exchange, Mumbai) emerge platform (NSE SME Platform) of NSE on 29th March, 2019.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans and guarantees made by the Company during the Year. However the Company made investment as per the provisions of Section 186 of the Companies Act, 2013 during the Financial Year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are attached herewith in **ANNEXURE-I** in **FORM NO. AOC -2**.

DEPOSITS:

Your Company has neither accepted / renewed any deposits from public during the year nor has any outstanding Deposits in terms of Section 73 of the Companies Act, 2013. Further there were no Deposits which are not in compliance of the requirements of Chapter V of the Act.

SHARE CAPITAL:

During the year under review, the Company has Authorised Share Capital of **Rs.125,000,000/- (Rs. Twelve Crore Fifty Lac)** comprising **12,500,000 (One Crore Twenty Five Lac)** Equity shares of **Rs.10/-** each.

PAID -UP SHARE CAPITAL:

During previous Year 2017-18 the issued, subscribed and paid up share capital of your Company stood at **Rs. 62,500,000/- (Rs. Six Crore Twenty Five Lac)**, comprising **6,250,000 (Six Two lacs Fifty Thousand)** Equity shares of **Rs.10/-** each.

During the year Company made IPO (Initial Public Offer) of **2310000** (Twenty Three lacs Ten Six Thousand) equity shares of Rs. 10 each for cash and at premium of **Rs. 26/-** per, share allotted.

As on 31st March, 2019, the issued, subscribed and paid up share capital of your Company stood at Rs. **85,600,000/-** (Rupees Eight Crore Fifty Six lacs only), comprising 8,560,000 (Eighty Five Lacs Sixty Thousand only) Equity shares of Rs.10/- (Rupees Ten) each.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the financial year under review, the Company had 10 [Ten] Board meetings.

Type of Meeting	Total No. of meetings held during the year
Board Meeting	10
Audit Committee	4
Nomination & Remuneration Committee	3
Stakeholder's Relationship Committee	3
Class Meeting	--

GENERAL MEETINGS:

During the year under review, the Company had Two Extra Ordinary General Meetings on 14th April, 2018 and 2nd May 2018, and the Annual General Meeting was held on 24th August, 2018.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

There were no changes in the Directors and Key Managerial Personnel during the year under review.

As on the date of this report, Board of Directors of the Company comprises of total Six directors. The Composition of the Board of Directors is as under:

Name of the Director	Category and Designation
Mr. Kashyap Pran Gambhir	Managing Director
Mr. Satbindersingh R Gill	Whole Time Director
Mr. Mrugank Mahendragohil	Independent Director

Mr. Shirish Prakash Rampure	Independent Director
Mrs. Amita Bhagwanta Nyaynit	Director
Ms. Deepika Kashyap Gambhir	Director

In pursuant to provisions of Section 203 of the Companies Act, 2013 read with the applicable rules and other applicable provisions of the Companies Act, 2013, the designated Managerial Personnel and Key Managerial Personnel (KMP) of the Company as on 31st March, 2019 are as follows:

Name of the MP/ KMP Designation	Designation
Mr. Kashyap Pran Gambhir	Managing Director
Mr. Amit Suhas Kalekar	Chief Financial Officer
Ms. Vidhi Bipin Joshi	Company Secretary

ANNUAL EVALUATION:

Pursuant to provision of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its Audit, Stakeholders' Relationship, Nomination & Remuneration and CSR Committee.

DECLARATION BY INDEPENDENT DIRECTORS:

As per the requirement of section 134(3)(d) of the Companies Act, 2013, the Company is required to attach the statement on declaration given by the Independent Directors under Section 149(6) with the Report. Your Company has received the said declaration from all the Independent Directors.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES

The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.

[A] Audit Committee

[B] Stakeholders Relationship Committee

[C] Nomination and Remuneration Committee

[A] Audit Committee

Our Company has constituted an audit committee ("**Audit Committee**") as per Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of Board of Directors held on April 20, 2018.

Name of the Director	Status	Nature of Directorship
Mrugank Gohil	Chairman	Independent Director
Shirish Rampure	Member	Independent Director
Kashyap Gambhir	Member	Chairman and Managing Director

The audit committee shall mandatorily review the following information:

(1) management discussion and analysis of financial condition and results of operations;

(2) statement of significant related party transactions (as defined by the audit committee), submitted by management;

(3) management letters / letters of internal control weaknesses issued by the statutory auditors;

(4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

[B] Stakeholder’s Relationship Committee

Our Company has constituted a shareholder/investors grievance committee (“**Stakeholder’s Relationship Committee**”) to redress complaints of Shareholders. The Stakeholders Relation Committee was constituted vide resolution passed at the meeting of Board of Directors held on April 20, 2018.

The Stakeholder’s Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Shirish Rampure	Member	Independent Director
Mrugank Gohil	Chairman	Independent Director
Amita Nyaynit	Member	Director (Non Executive)

The terms of reference of the Investor Grievance Committee include the following:

1. Redressal of shareholders’/investors’ complaints;
2. Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
4. Non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

[C] Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of the Companies, 2013. The constitution of Nomination and Remuneration Committee was approved by a meeting of Board of Directors held on April 20, 2018.

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Shirish Rampure	Member	Independent Director
Mrugank Gohil	Chairman	Independent Director
Amita Nyaynit	Member	Director (Non Executive)

The Nomination and remuneration committee while formulating the policy makes sure that

- a) The Level & Composition of remuneration is reasonable and sufficient to attract, retain and Motivate directors of the quality required running the company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- c) Remuneration to Directors, KMP and senior management personnel involves a balance between fixed and variable pay reflecting the performance objectives appropriate to the working of the company and its goals.

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

In terms of the provisions of Section 178 (3) of the Act the Nomination & Remuneration Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The Nomination & Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personal and other employees. In line with this requirement, the Board has decided to form Remuneration Committee.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY:

The Company has not developed and implemented any Corporate Social Responsibility initiatives during the year as the said provisions were not applicable to the Company during the year ended on 31st March 2019.

AUDIT

STATUTORY AUDITORS:

M/s Keyur Shah & Co., Chartered Accountants, Mumbai (FRN.:141173W) who is the statutory auditor of the company, were appointed as Statutory

Auditors for a period of 5 years in the Annual General Meeting held on 24th August, 2018 until the conclusion of the AGM in the Year 2023.

SECRETARIAL AUDITORS

Pursuant to the Section 204 of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. K C Suthar & Co., Practicing Company Secretary, Mumbai to undertake the Secretarial Audit of the Company for the year under review. The Secretarial Audit Report is provided as "Annexure-II".

VIGIL MECHANISM:

The Company has established a vigil mechanism that will oversee through the committee, the genuine concerns expressed by the employees and other Directors. The Company provided adequate safeguards against victimization of employees and Directors who express their concerns.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with all the provisions of Secretarial Standards on Board meeting and General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

There were no qualifications, reservations or adverse remarks made by the Auditors in their report and the provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

EXTRACT OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **ANNEXURE -III** and is attached to this Report.

INTERNAL FINANCIAL CONTROL

The Company has adequate internal financial control in implementation with reference to the Financial Statement and is operating effectively. The Company has a well-placed, proper and adequate internal financial control

systems which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's), supplemented by internal audits from Internal Auditors.

EVENT BASED DISCLOSURES

The Company has not issued any shares with differential voting rights or Sweat Equity shares or shares under ESOP. The Company has not provided any money to its employees for purchase of its own shares hence the company has nothing report in respect of Rule 4(4), Rule (13), Rule 12(9) and Rule 16 of the Companies (Share Capital & Debentures) Rules, 2014.

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

The provisions of Section 134(m) of the Companies Act, 2013 apply to our Company because it has carried on manufacturing activity during the year under review. The operations of the Company are not power intensive. The Company is however, taking every possible step to conserve the energy wherever possible.

There was no foreign exchange inflow or Outflow during the year under review. Details furnished in ANNEXURE IV and are attached to this Report.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record the supports, assistance and guideline provided by the financial institutions, banks, customers, suppliers and other business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors deeply appreciate the committed efforts put in by employees at all levels, whose continued commitment and dedication contributed greatly to achieving the goals set by your Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For Artedz Fabs Ltd.

Kashyap Gambhir
Managing Director
Din: 00512674

Satbinder Singh Gill
Whole Time Director
Din: 00512666

Date: 1st June 2019
Place: Mumbai