



***AXITA COTTON LIMITED***



***7TH ANNUAL REPORT - 2019-20***

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OUR PRODUCTS





## CHAIRMAN'S MESSAGE TO STAKEHOLDERS



Dear and Esteemed Fellow Shareowners,

The world is going through unprecedented times and the Covid-19 Pandemic has changed our lives completely. The novel coronavirus has affected not just human health but severely impacted businesses and the society at large. We, at Axita Cotton Limited (ACL), would like to express our sincere gratitude to all our employees, stakeholders and anyone who helped us survive through these difficult times. Business in a post-pandemic world will be full of new challenges and new opportunities. I am sure our inherent resilience and the unparalleled dedication of our employees will help us navigate through the existing times ahead and continue to create unmatched value for all.

I am pleased to share with you an update on your Company's performance for 2019-20. Your Company's Net Sales/Income from Operations (Net of GST) has increased as compare to last year but, your Company's profit has decreased as compare to last year. During the F.Y. 2019-20 your company has issued bonus shares in ratio of 1:1 (Issuance of 1 share for every 1 existing share held by then existing shareholder). We are focusing with the idea of increasing our global clients. I can assure you that Axita Cotton Limited is committed to scaling new heights in the coming year. Our people make our success possible; we remain committed to invest in their growth and reinforce a value-led culture.

I take this opportunity to thank you all for your unwavering support and commitment that continue to provide us strength to forge ahead in our endeavour. Thank you for believing in us and for joining us on this journey of powering a better future for all.

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Sd/-

Nitin Patel

Chairman cum Managing Director

**CORPORATE INFORMATION**

AXITA COTTON LIMITED

CIN: L17200GJ2013PLC076059

**REGISTERED OFFICE**

Survey No. 324 357 358, Kadi Thol Road Borisana, Kadi Mahesana-382715, Gujarat.  
Email: cs@axitacotton.com;  
Website: www.axitacotton.com

**PLANT LOCATION**

Survey No. 324 357 358, Kadi Thol Road Borisana, Kadi Mahesana-382715, Gujarat.  
Mob. No.: +91 63587 47514;

**BOARD OF DIRECTORS**

Name	(DIN)	Designation
Mr. Nitinbhai Govindbhai Patel	06626646	Chairman cum Managing Director
Mr. Kushal Nitinbhai Patel	06626639	Managing Director
Mr. Amitkumar Govindbhai Patel	06626585	Whole-Time Director
Mr. Dhruven Shaileshbhai Patel	08245083	Independent Director
Mrs. Diptiben Hemantkumar Patel	00111081	Independent Director (upto 28/02/2020)
Mr. Rakesh Mahendrakumar Patel	08251021	Independent Director
Mrs. Pinaben Bharatkumar Patel	08776983	Additional (Independent) Director (w.e.f. 30/06/2020)

**KEY MANAGERIAL PERSONNEL**

Name	Designation	Name	Designation
Mrs. Riya Shah (upto 30/12/2019) Mr. Jayesabhai Chandubhai Thakor (w.e.f. 30/06/2020)	CFO	Mr. Dhruven Shaileshbhai Patel	Chairperson
Mr. Deepakkumar Kushalchandra Chaudhisa	Company Secretary	Mr. Rakesh Mahendrakumar Patel	Member
		Mr. Amitkumar Govindbhai Patel	Member

**AUDIT COMMITTEE****STAKEHOLDER'S RELATIONSHIP COMMITTEE**

Name	Designation	Name	Designation
Mr. Dhruven Shaileshbhai Patel	Chairperson	Mr. Dhruven Shaileshbhai Patel	Chairperson
Mr. Rakesh Mahendrakumar Patel	Member	Mr. Rakesh Mahendrakumar Patel	Member
Mr. Amitkumar Govindbhai Patel	Member	Mrs. Pinaben Bharatkumar Patel	Member

**NOMINATION & REMUNERATION COMMITTEE****AUDITORS**

STATUTORY AUDITOR	SECRETARIAL AUDITOR
<b>M/s. Mistry &amp; Shah</b> Chartered Accountant 8-10, Bhavani Chambers, Nr. Times of India, Ashram Road, Navarangpura, Ahmedabad - 380 009 Mail ID: info@mistryandshah.com	<b>Mr. Anand Lavingia</b> Practicing Company Secretary 415-416, Pushpam Complex, Opp. Seema Hall, Anandnagar Road, Satellite, Ahmedabad - 380 015 Mail ID: krishivadvisory@gmail.com

**REGISTRAR & SHARE TRANSFER AGENT**

<b>Link Intime India Private Limited</b> C-101, 1st Floor, 247 Park, Lal Bahadur, Shastri Maarg, Vikhroli (West), Mumbai-400 083, Maharashtra, Tel. Number: +91 22 4918 6200 Email Id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	<b>BANKERS</b> Oriental Bank of Commerce ICICI Bank
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**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2020.

**FINANCIAL RESULTS:**

The Company's financial performance for the year ended March 31, 2020 is summarized below:

(Amount in Rs. Lakhs)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
Net Sales/Income from Operations (Net of GST)	48,441.38	21179.84
Other Income	13.25	232.53
<b>Total Income from Operations (Net)</b>	<b>48,454.63</b>	<b>21,412.37</b>
<b>Earnings Before Interest, Taxes, Depreciation and Amortization Expense</b>	<b>401.93</b>	<b>305.21</b>
Less: Finance Cost	295.29	179.67
Less: Depreciation and Amortization Expense	52.87	56.50
<b>Profit Before Tax</b>	<b>53.77</b>	<b>69.04</b>
Less: Tax Expenses		
Current Tax	20.87	25.47
Deferred Tax	(2.42)	(2.57)
<b>Profit After Taxation</b>	<b>35.32</b>	<b>46.14</b>

**COMPANY'S PERFORMANCE:**

The total income from operations (net) of the Company for the year under review is ₹ 48,454.63 Lakhs as compared to ₹ 21,412.37 Lakhs in the previous year, the total income from operations (net) of the Company has increased by 126.29% as compared to previous year. Profit after taxation stood at ₹ 35.32 Lakhs as compared to Profit after taxation of ₹ 46.14 Lakhs in the previous year, Profit after taxation has decreased by (23.45)% as compared to previous year due to increase in Finance Cost, other expenses etc.

**IMPACT OF THE COVID-19 ON BUSINESS OF THE COMPANY:**

In the last month of FY 2019-20, COVID-19, declared by the World Health Organization, a global pandemic, developed rapidly into a global crisis, forcing government to enforce lock-downs of all economic activity. The Ministry of Home affairs vide order No. 40-3/2020-DM-I(A) dated March 24, 2020 announced a nation-wide lockdown as a measure to contain the spread of COVID-19. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to the operations of the Company. The Company has adhered to the guidelines as specified by the Government of India and complying with all safety measures to safeguard its employees from COVID-19 disease. The Company immediately adopted a 'Work from Home' model for all its office based employees. The operations of the Company were affected due to the lockdown announced by the Government of India to control the spread of Corona Virus. Owing to the lockdown, the manufacturing operation and supply chain was impacted in the second half of March 2020.

**DIVIDEND:**

With a view to conserve and save the resources for future prospect of the Company, your Directors regret to declare dividend for the financial year 2019-20.

**TRANSFER TO RESERVES:**

The Company has transferred of ₹ 35.32 Lakhs (Profit for the current year) in Reserve and Surplus.

**CHANGE IN NATURE OF BUSINESS:**

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

**SHARE CAPITAL:**

During the year under review the following changes have taken place in the authorized and paid-up share capital of the Company:

**Authorized Capital:**

During the year under review the Authorised Capital of the Company was increased to ₹ 14,00,00,000/- divided into 1,40,00,000 Equity Shares of ₹ 10/- each vide Special Resolution passed by the Members in their Extra-ordinary General Meeting No. (EOGM NO. 02/2019-20) held on December 13, 2019.

**Issued, Subscribed & Paid-up Capital:**

During the year under review Company has allotted 6552000 Bonus Equity Shares vide Board Resolution passed by the Board of Directors in their Board Meeting held on December 30, 2019 as a result paid up capital of the Company increases to ₹ 13,10,40,000/- divided into 13104000 Equity Shares of ₹ 10/- each.

The present paid-up capital of the Company is ₹ 13,10,40,000/- divided into 13104000 Equity Shares of ₹ 10/- each.

The Equity Shares of the Company are listed on the BSE Limited in SME Segment. The scrip code for Equity Share is 542285. The Company confirms that the annual listing fees to the stock exchange for the financial year 2020-21 have been paid.

#### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

##### Constitution of Board:

As on the date of this report, the Board comprises following Directors;

Name of Director	Category Cum Designation	Date of Appointment at current Term & designation	Total Directorship <sup>2</sup>	No. of Committee <sup>1</sup>		No. of Shares held as on March 31, 2020
				in which Director is Members	in which Director is Chairman	
Mr. Nitinbhai Patel	Chairman cum Managing Director	October 16 2018	3	-	-	3571000 Equity Shares
Mr. Kushal Patel	Managing Director	October 16 2018	3	-	-	3997048 Equity Shares
Mr. Amitkumar Patel	Whole-Time Director	October 16 2018	2	2	-	1424400 Equity Shares
Mr. Dhruven Patel	Independent Director	October 18 2018	1	-	2	-
Mr. Rakesh Patel	Independent Director	October 18 2018	1	2	-	-
Mrs. Pinaben Patel <sup>4</sup>	Additional (Independent) Director	June 30, 2020	1	-	-	-

<sup>1</sup> Committee includes Audit Committee and Shareholders' Grievances Committee across all Public Companies.

<sup>2</sup> Excluding LLPs, Section 8 Company & struck of Companies.

<sup>3</sup> Mrs. Diptiben Patel had resigned from the post of Independent Director w.e.f February 28, 2020 in Axita Cotton Limited.

<sup>4</sup> Mrs. Pinaben Patel is appointed as an additional director w.e.f. June 30, 2020.

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company. Neither any of the Director of the Company is holding position as Director in more than 8 listed entities nor any of the Director of the Company serve as Independent Director in more than 7 listed entities.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

##### Board Meeting:

Regular meetings of the Board are held at least once in a quarter. Additional Board meetings are convened, as and when require, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at registered office of the Company.

During the year under review, Board of Directors of the Company met 5 times on May 15 2019; May 29 2019; August 28 2019; November 14, 2019, December 30 2019 and February 20, 2020. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below;

Name of Director	Mr. Nitinbhai Patel	Mr. Kushal Patel	Mr. Amitkumar Patel	Mr. Dhruven Patel	Mrs. Diptiben Patel <sup>1</sup>	Mr. Rakesh Patel	Mrs. Pinaben Patel <sup>2</sup>
Number of Board Meeting held	6	6	6	6	6	6	N.A.
Number of Board Meetings Eligible to attend	6	6	6	6	6	6	N.A.
Number of Board Meeting attended	6	6	6	6	6	6	N.A.
Presence at the previous AGM	Yes	Yes	Yes	Yes	Yes	Yes	N.A.

<sup>1</sup> Mrs. Diptiben Patel had resigned from the post of Independent Director w.e.f February 28, 2020.

<sup>2</sup> Mrs. Pinaben Patel is appointed as an additional w.e.f. June 30, 2020.

#### General Meetings:

During the year under review, 3 Shareholder meeting held, details of which are as follows:

Sr. No.	Type of Meeting	Date of Meeting
EOGM-1/2019-20	Extra-Ordinary General Meeting	April 12, 2019
EOGM-2/2019-20	Extra-Ordinary General Meeting	December 13, 2019
AGM/2019-20	Annual General Meeting	September 27, 2019

#### Independent Directors:

As per Schedule IV of the Companies Act 2013 a separate meeting of Independent Directors without the attendance of Non-Independent Directors was held on February 20, 2020 to discuss the agenda items as required under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Independent Directors reviewed the performance of non-independent directors and the Board as whole reviewed the performance of the Chairperson of the Company taking into account the views of executive and non-executive directors and assessed the quality quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions.

The Company has received necessary declaration from each independent director under Section 149 (7) of the act that they meet the criteria of independence laid down in Section 149 (6) of the act.

#### Information on Directorate and Key Managerial Personnel (KMP):

In accordance with the provisions of Section 152 and other applicable provisions if any of the Companies Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 (including and statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Nitinbhai Govindbhai Patel (Chairman cum Managing Director) is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, have offered himself for re-appointment.

During the year, Mrs. Riya Shah had resigned from the post of Chief Financial Officer of the Company, w.e.f. December 30, 2019.

Further during the year, Mrs. Diptiben Hemantkumar Patel had resigned from post of Independent Director of the Company w.e.f. February 28, 2020.

Thenafter, The Board of Directors of the Company at their Board Meeting held on June 30, 2020, based on the recommendations of the Nomination and Remuneration Committee of the Board of Directors of the Company approved the appointment of Mrs. Pinaben Bharatkumar Patel as an Additional Director in the category of Non-Executive and Independent Director of the Company who holds office upto the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

Further, Mr. Jayesabhai Chandubhai Thakor was appointed as Chief Financial Officer of the Company, w.e.f. June 30, 2020.

#### Details of Key Managerial Personnel:

Mr. Nitinbhai Govindbhai Patel, Chairman cum Managing Director, Mr. Kushal Nitinbhai Patel, Managing Director, Mr. Amitkumar Govindbhai Patel, Whole Time Director, Mr. Deepakkumar Kushalchandra Chaubisa, Company Secretary and Compliance Officer and Mr. Jayesabhai Chandubhai Thakor, Chief Financial Officer are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



**Performance Evaluation:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure effectiveness of board processes information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed meaningful and constructive contribution and inputs in meetings etc. In addition the chairman was also evaluated on the key aspects of his role.

**Directors' Responsibility Statement:**

Pursuant to section 134(5) of the Companies Act 2013 the board of directors to the best of their knowledge and ability confirm that:

- In preparation of annual accounts for the year ended March 31 2020 the applicable accounting standards have been followed and that no material departures have been made from the same;
- 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 or loss of the Company for that year;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts for the year ended March 31 2020 on going concern basis.
- The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- 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 OF BOARD:**

The Board of Directors in line with the requirement of the act has formed various committees details of which are given hereunder.

**A. Audit Committee:-**

Audit Committee meeting is generally held for the purpose of recommending the half yearly and yearly financial result. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee.

During the year under review the Audit Committee met 4 (Four) times during the financial year 2019-20, May 29, 2019, August 28, 2019, November 14, 2019 and February 12, 2020.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the financial year 2019-20		
			Held	Eligible to attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	4	4	4
Mrs. Diptiben Patel	Independent Director	Member	4	4	4
Mr. Amitkumar Patel	Whole Time Director	Member	4	4	4

Mrs. Diptiben Patel resigned from the post of Independent Director of the Company w.e.f. February 28, 2020, consequently the Audit Committee was reconstituted in the Board Meeting held on June 30, 2020 with the following members:

Name of the Directors	Category	Designation
Mr. Dhruven Patel	Independent Director	Chairperson
Mr. Amitkumar Patel	Whole Time Director	Member
Mr. Rakesh Patel	Independent Director	Member

Chief Financial Officer of the Company is a regular invitee at the Meeting. Further, the Company Secretary of the Company is acting as Secretary to the Audit Committee.

Recommendations of Audit Committee wherever/whenever given have been accepted by the Board.

**Vigil Mechanism:**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for

direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at [www.axitacotton.com](http://www.axitacotton.com).

**B. Stakeholder's Grievance & Relationship Committee:**

The Board of Directors has formed Stakeholder's Grievance & Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances if any like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Stakeholders Relationship Committee shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company.

During the year under review Stakeholder's Grievance & Relationship Committee met 4 (Four) time viz on May 29, 2019, August 28, 2019, November 14, 2019, February 12, 2020. The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the financial year 2019-20		
			Held	Eligible to attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	4	4	4
Mr. Rakesh Patel	Independent Director	Member	4	4	4
Mr. Amitkumar Patel	Whole Time Director	Member	4	4	4

During the year the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31 2020.

**C. Nomination and Remuneration Committee:**

The Board of Directors has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act 2013. Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. Further the committee shall also meet as and when the need arises for review of Managerial Remuneration.

During the year under review Nomination and Remuneration Committee met 1 (One) time viz on August 28, 2019. The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the financial year 2019-20		
			Held	Eligible to attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	1	1	1
Mr. Rakesh Patel	Independent Director	Member	1	1	1
Mrs. Diptiben Patel	Independent Director	Member	1	1	1

Mrs. Diptiben Patel resigned from the post of Independent Director of the Company w.e.f from February 28, 2020, consequently the Nomination and Remuneration Committee was reconstituted in the Board Meeting held on June 30, 2020 with the following members

Name of the Directors	Category	Designation
Mr. Dhruven Patel	Independent Director	Chairperson
Mr. Rakesh Patel	Independent Director	Member
Mrs. Pinaben Patel	Additional (Independent) Director	Member

**Nomination and Remuneration Policy:**

Nomination and Remuneration Policy in the Company is designed to create a high performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.axitacotton.com](http://www.axitacotton.com) and is annexed to this Report as **Annexure - A**.

**Remuneration of Directors:**

The details of remuneration paid during the financial year 2019-20 to Directors of the Company is provided in Form MGT-9 which is the part of this report as **Annexure B**.

**PUBLIC DEPOSIT:**

The company has not accepted any deposits from the public. Hence the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

**PARTICULARS OF LOANS GUARANTEES INVESTMENTS & SECURITY:**

Details of Loans Guarantees Investments and Security covered under the provisions of Section 186 of the Companies Act 2013 are given in the notes to the Financial Statement.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as **Annexure - B**.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 in the prescribed Form AOC-2 is annexed to this Report as **Annexure - C**.

**SECRETARIAL STANDARDS OF ICSI:**

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

**PARTICULAR OF EMPLOYEES:**

The ratio of the remuneration of each whole-time director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure - D**.

The particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

**MATERIAL CHANGES AND COMMITMENT:**

There are no material changes and commitments affecting the financial position of the Company have occurred between the end of financial year of the Company i.e. March 31 2020 to the date of this Report.

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

To foster a positive workplace environment free from harassment of any nature we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

During the year under review there were no incidences of sexual harassment reported.

**ENERGY CONSERVATION TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with rule 8 of The Companies (Accounts) Rules 2014 as amended from time to time is annexed to this Report as **Annexure - E**.

**RISK MANAGEMENT:**

A well-defined risk management mechanism covering the risk mapping and trend analysis risk exposure potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact if triggered. A detailed exercise is being carried out to identify evaluate monitor and manage both business and non-business risks.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has an effective internal control system which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition.

The Internal Auditors of the Company carry out review of the internal control systems and procedures. The internal audit reports are reviewed by Audit Committee.

Your Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company.

During the year such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

**CORPORATE GOVERNANCE:**

Your Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report under relevant heading.

However, Company is complying with few of the exempted regulations voluntarily and details of same are provided in this report under the respective heading.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In terms of Regulation 34 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 a review of the performance of the Company for the year under review Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report as **Annexure-G**.

**STATUTORY AUDITOR AND THEIR REPORT:**

M/s. Mistry & Shah Chartered Accountants Ahmedabad (Firm registration number: 122702W) were appointed as Statutory Auditor of your Company at the 6<sup>th</sup> (Sixth) Annual General Meeting held on September 27, 2019 to hold office as such from the conclusion of the 6<sup>th</sup> (Sixth) Annual General Meeting till the conclusion of 11<sup>th</sup> (Eleventh) Annual General Meeting of the Company.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act 2013.

The Report given by the Auditors on the financial statement of the Company is part of this Report. The Auditors' Report does not contain any qualification reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**REPORTING OF FRAUD:**

During the year under review, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

**SECRETARIAL AUDITOR AND THEIR REPORT:**

The Company has appointed Mr. Anand Lavingia, Practicing Company Secretaries, to conduct the secretarial audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2019-20 is annexed to this report as an **Annexure - F**.

**INSURANCE:**

All assets of the Company including Building Plant & Machinery Stocks etc. wherever necessary and to the extent required have been adequately insured.

**WEBSITE:**

As per Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 the Company has maintained a functional website namely "www.axitacotton.com" containing basic information about the Company. The website of the Company is containing information like Policies Shareholding Pattern Financial and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company etc.

**GENERAL DISCLOSURE:**

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules 2014 and other applicable provisions of the act and listing regulations to the extent the transactions took place on those items during the year. Your Directors further 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:

- (i) Details relating to deposits covered under Chapter V of the Act;
- (ii) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iv) Annual Report and other compliances on Corporate Social Responsibility;
- (v) There is no revision in the Board Report or Financial Statement;
- (vi) 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;
- (vii) Information on subsidiary, associate and joint venture companies.

**ACKNOWLEDGEMENT:**

Your Directors acknowledge the dedicated service of the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from banker's financial institutions business partners and other stakeholders.

**Registered office:**

Servey No. 324 357 358,  
Kadi Thol Road, Borisana Kadi,  
Mahesana - 382715 Gujarat

For and on behalf of Board of Directors  
**Axita Cotton Limited**  
CIN: L17200GJ2013PLC076059

**Date:** August 27, 2020  
**Place:** Kadi Mahesana

**Kushal Nitinbhai Patel**  
Managing Director  
DIN 06626639

**Amitkumar Govindbhai Patel**  
Whole-Time Director  
DIN 06626585



**NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in Compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Board has also constituted Nomination and Remuneration Committee (NRC) as on October 26, 2018. This policy on nomination and remuneration updated by Directors, Key Managerial Personnel and Senior Management has been formulated and approved by the Board of Directors on February 13, 2019.

**1. DEFINITIONS:**

- i) **“Act”** means the Companies Act, 2013 (and the rules framed thereunder).
- ii) **“Board”** means Board of Directors of the Company.
- iii) **“Director”** means a director on the Board of the Company.
- iv) **“Committee”** means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.
- v) **“Company”** or **“The Company”** Axita Cotton Limited.
- vi) **“Independent Director”** means a Director referred to in Section 149(6) of the Act read with regulation 16(1)(b) of the Listing Regulations.
- vii) **Key Managerial Personnel (KMP) means:**
  - a) the Chief Executive Officer or the managing director or the manager, as applicable;
  - b) the company secretary;
  - c) the whole-time director;
  - d) the Chief Financial Officer; and
  - e) such other officer as may be prescribed.
- viii) **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the executive directors, including all functional heads.
- ix) **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- x) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes prerequisites as defined under the Income Tax act, 1961.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and/or the Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them in the Act and/or the Listing Regulations.

**2. OBJECTIVE:**

The objectives of this Policy are set forth below:

- (a) to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (independent, executive and non-executive) and persons who may be appointed in Senior Management and Key Managerial Personnel positions;
- (b) to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (c) to ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (d) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management personnel and provide necessary report to the Board for further evaluation by the Board; and
- (e) to ensure that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**3. ROLE OF THE COMMITTEE:**

The role of the Committee shall, inter-alia, include the following:

- I. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and Senior Management personnel;
- II. formulation of criteria for evaluation of performance of Independent Directors and the Directors;
- III. devising a policy on diversity of the Board;
- IV. identifying persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- V. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- VI. Any other functions as may be assigned by the Board from time to time.

**4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director and recommend the same to the Board. Key Managerial Personnel other than Managing Director shall be appointed as per the Act. Senior Management personnel shall be appointed as per the Company's policy formulated in this regard.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee shall have authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

- c) The Company shall not appoint or continue the employment of any person as a Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

#### 5. TERM/TENURE:

##### **Managing Director/Whole-time Director:**

The Company shall not appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive 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.

##### **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board and shall 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 of up to maximum of 5 years each, 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 listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

#### 6. EVALUATION:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management personnel yearly or at such intervals as may be considered necessary.

#### 7. REMOVAL:

The Committee may recommend with reasons to be recorded in writing, removal of a Director, KMP or Senior Management personnel subject to the provisions and Compliance of the Act and the policy of the Company.

#### 8. RETIREMENT:

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

##### **Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission, as applicable, to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of Act or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) Committee shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

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

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act and the Listing Regulations. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Act shall be subject to ceiling/ limits as provided under the Act or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board or the shareholders of the Company, as the case may be.
- c) An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services rendered are of a professional nature; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

#### 9. IMPLEMENTATION:

- i) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- ii) The Committee may delegate any of its power to one or one member of its member.

## FORM MGT - 9 - EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020

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

## 1) Registration and Other Details:

CIN	:	L17200GJ2013PLC076059
Registration Date	:	July 16, 2013
Name of the Company	:	Axita Cotton Limited
Category / Sub-Category of the Company	:	Public Company limited by shares/ Indian Non-Government Company
Address of the Registered Office and contact details	:	Servey No. 324 357 358 Kadi Thol Road Borisana Kadi Mahesana-382715, Gujarat. Tel : +91 63587 47514; Email: cs@axitacotton.com; Web: www.axitacotton.com
Whether listed Company	:	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400 083, Maharashtra. Email: rnt.helpdesk@linkintime.co.in; Tel: +91 -022- 49186200; Web: www.linkintime.co.in

## 2) Principal Business Activity of the Company: All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Cotton Bales	01632	94.31%
Shankar Kapasia	01161	5.69%

## 3) Particulars of Holding, Subsidiary and Associate Companies:

SR. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
N.A.					

## 4) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

## I. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4800000	-	4800000	73.26	9600000	-	9600000	73.26	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	4800000	-	4800000	73.26	9600000	-	9600000	73.26	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>4800000</b>	<b>-</b>	<b>4800000</b>	<b>73.26</b>	<b>9600000</b>	<b>-</b>	<b>9600000</b>	<b>73.26</b>	<b>-</b>
<b>B. Public Share Holding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Company	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Non-Institution</b>									
<b>a) Bodies Corporate</b>									
i. Indian	531155	-	531155	8.11	1000000	-	1000000	7.63	(0.48)
ii. Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	163545	-	163545	2.50	260000	-	260000	1.98	(0.51)
i. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	827300	-	827300	12.63	1768000	-	1768000	13.49	0.87
<b>c) Others (specify)</b>									
HUF	192000	-	192000	2.93	464000	-	464000	3.54	0.61
Clearing Members	38000	-	38000	0.58	12000	-	12000	0.09	(0.49)
<b>Sub-Total (B)(2):</b>	<b>1752000</b>	<b>-</b>	<b>1752000</b>	<b>26.74</b>	<b>3504000</b>	<b>-</b>	<b>3504000</b>	<b>26.74</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1752000</b>	<b>-</b>	<b>1752000</b>	<b>26.74</b>	<b>3504000</b>	<b>-</b>	<b>3504000</b>	<b>26.74</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>6552000</b>	<b>-</b>	<b>6552000</b>	<b>100.00</b>	<b>13104000</b>	<b>-</b>	<b>13104000</b>	<b>100.00</b>	<b>-</b>



**II. Shareholding of Promoters & Promoters Group:**

Name	Shareholding at <sup>1</sup> beginning of year		Date wise Increase/ Decrease in Shareholding*			Cumulative Shareholding during the year <sup>^</sup>		Shareholding at end of year <sup>2</sup>		% change in shareholding during the year
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company	
Nitinbhai Govindbhai Patel	1785500	27.25	10-01-20	1785500	Allotment of Bonus Equity Shares	3571000	27.25	3571000	27.25	-
Kushal Nitinbhai Patel	1998524	30.50	10-01-20	1998524	Allotment of Bonus Equity Shares	3997048	30.50	3997048	30.50	-
Amitkumar Govindbhai Patel	712200	10.87	10-01-20	712200	Allotment of Bonus Equity Shares	1424400	10.87	1424400	10.87	-
Gitaben Nitinbhai Patel	226176	3.45	10-01-20	226176	Allotment of Bonus Equity Shares	452352	3.45	452352	3.45	-
Gitaben Amitbhai Patel	57500	0.88	10-01-20	57500	Allotment of Bonus Equity Shares	115000	0.88	115000	0.88	-
Pooja Kushal Patel	20000	0.31	10-01-20	20000	Allotment of Bonus Equity Shares	40000	0.31	40000	0.31	-
Krunalbhai Girishkumar Patel	100	0.00	10-01-20	100	Allotment of Bonus Equity Shares	200	0.00	200	0.00	-

\* As per the record of the Registrar and Transfer Agent (RTA) of the Company.

<sup>1</sup>. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the beginning of the year is 6552000.

<sup>2</sup>. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 13104000 Shares.

**Note:**

No Equity Shares have been pledged or encumbered by any of the Shareholders belonging to Promoter of Promotes' Group.

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

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Kratos Impex Limited	302000	2.30	05-04-19	(6000)	Market Sell	296000	2.26		
			26-04-19	22000	Market Buy	318000	2.43		
			07-06-19	(2000)	Market Sell	316000	2.41		
			14-06-19	(4000)	Market Sell	312000	2.38		
			19-07-19	4000	Market Buy	316000	2.41		
			02-08-19	395	Market Buy	316395	2.41		
			09-08-19	525	Market Buy	316920	2.42		
			16-08-19	72	Market Buy	316992	2.42		

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
			23-08-19	3008	Market Buy	320000	2.44		
			06-09-19	2000	Market Buy	322000	2.46		
			04-10-19	2000	Market Buy	324000	2.47		
			18-10-19	(2000)	Market Sell	322000	2.46		
			25-10-19	(2000)	Market Sell	320000	2.44		
			01-11-19	(2000)	Market Sell	318000	2.43		
			22-11-19	(6000)	Market Sell	312000	2.38		
			29-11-19	2000	Market Buy	314000	2.40		
			06-12-19	(4000)	Market Sell	310000	2.37		
			13-12-19	2000	Market Buy	312000	2.38		
			20-12-19	(10000)	Market Sell	302000	2.30		
			27-12-19	3532	Market Buy	305532	2.33		
			03-01-20	468	Market Buy	306000	2.34		
			10-01-20	301532	Allotment of Bonus Equity Shares	607532	4.64		
			17-01-20	(721)	Market Sell	606811	4.63		
			24-01-20	1189	Market Buy	608000	4.64		
			31-01-20	(4000)	Market Sell	604000	4.61		
			21-02-20	(4000)	Market Sell	600000	4.58		
			13-03-20	(4000)	Market Sell	596000	4.55		
			20-03-20	4000	Market Buy	600000	4.58		
			27-03-20	4000	Market Buy	604000	4.61		
			31-03-20	(8000)	Market Sell	596000	4.55	596000	4.55
Akashbhai Bharatkumar Shah	284000	2.17	10-01-20	284000	Allotment of Bonus Equity Shares	568000	4.33	568000	4.33
Sugresh H Shah HUF	160000	1.22	26-04-19	30000	Market Buy	190000	1.45	380000	2.90
			10-01-20	190000	Allotment of Bonus Equity Shares	380000	2.90		
JM Financial Services Limited	-	-	12-07-19	238000	Market Buy	238000	1.82		
			19-07-19	(8000)	Market Sell	230000	1.76		

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
			02-08-19	(6000)	Market Sell	224000	1.71		
			09-08-19	(10000)	Market Sell	214000	1.63		
			16-08-19	(4000)	Market Sell	210000	1.60		
			23-08-19	(12000)	Market Sell	198000	1.51		
			30-08-19	(2000)	Market Sell	196000	1.50		
			06-09-19	(2000)	Market Sell	194000	1.48		
			13-09-19	(14000)	Market Sell	180000	1.37		
			22-11-19	(4000)	Market Sell	176000	1.34		
			29-11-19	(6000)	Market Sell	170000	1.30		
			24-01-20	170000	Market Buy	340000	2.59	340000	2.59
Darshankumar Ghanshyambhai Patel	157300	1.20	26-04-19	50700	Market Buy	208000	1.59		
			03-05-19	(18000)	Market Sell	190000	1.45		
			17-05-19	(2000)	Market Sell	188000	1.43		
			31-05-19	(12000)	Market Sell	176000	1.34		
			07-06-19	(4000)	Market Sell	172000	1.31		
			14-06-19	(16000)	Market Sell	156000	1.19		
			21-06-19	(2000)	Market Sell	154000	1.18		
			09-08-19	8000	Market Buy	162000	1.24		
			20-12-19	(4000)	Market Sell	158000	1.21		
			27-12-19	5639	Market Buy	163639	1.25		
			03-01-20	361	Market Buy	164000	1.25		
			10-01-20	151639	Allotment of Bonus Equity Shares	315639	2.41		
			17-01-20	4361	Market Buy	320000	2.44		
			24-01-20	4000	Market Buy	324000	2.47		
			31-03-20	(4000)	Market Sell	320000	2.44	320000	2.44
Hina Chhawchharia	58000	0.44	23-08-19	12000	Market Buy	70000	0.53		
			10-01-19	70000	Allotment of Bonus Equity Shares	140000	1.07		
			17-01-20	(12000)	Market Sell	128000	0.98		
			24-01-20	(12000)	Market Sell	116000	0.89	116000	0.89

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Nalin Vanrajbhai Patel	-	-	13-09-19	24000	Market Buy	24000	0.18	92000	0.70
			20-09-19	10000	Market Buy	34000	0.26		
			11-10-19	4000	Market Buy	38000	0.29		
			25-10-19	2000	Market Buy	40000	0.31		
			08-11-19	(2000)	Market Sell	38000	0.29		
			22-11-19	(8000)	Market Sell	30000	0.23		
			29-11-19	8000	Market Buy	38000	0.29		
			06-12-19	2000	Market Buy	40000	0.31		
			13-12-19	2000	Market Buy	42000	0.32		
			20-12-19	(2000)	Market Sell	40000	0.31		
			27-12-19	4000	Market Buy	44000	0.34		
			31-12-19	(3064)	Market Sell	40936	0.31		
					Allotment of Bonus Equity Shares				
			10-01-20	51064		92000	0.70		
Sunny K Solanki	-	-	30-08-19	20000	Market Buy	20000	0.15		
			22-11-19	12000	Market Buy	32000	0.24		
			29-11-19	6000	Market Buy	38000	0.29		
			13-12-19	6000	Market Buy	44000	0.34		
					Allotment of Bonus Equity Shares				
			10-01-20	44000		88000	0.67		
Sufal Investment	-	-	30-09-19	36000	Market Buy	36000	0.27		
			13-12-19	4000	Market Buy	40000	0.31		
					Allotment of Bonus Equity Shares				
			10-01-20	40000		80000	0.61		
Harshit Hitendra Shah	14000	0.11	14-06-19	8000	Market Buy	22000	0.17	68000	0.52
			21-06-19	2000	Market Buy	24000	0.18		
			09-08-19	9457	Market Buy	33457	0.26		
			23-08-19	543	Market Buy	34000	0.26		
					Allotment of Bonus Equity				
			10-01-20	34000		68000	0.52		



Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
					Shares				

\* The trading in the shares of the Company took place almost on daily basis, therefore the date wise increase/ decrease in Shareholding of top ten Shareholders are taken on the basis of weekly BenPoze.]

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 13104000 Shares.
2. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

#### IV. Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at <sup>1</sup> beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at <sup>2</sup> end of year	
	No. of Share	% of total shares of the Company	Date	-Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Nitinbhai Govindbhai Patel	1785500	27.25	10-01-20	1785500	Allotment of Bonus Equity Shares	3571000	27.25	3571000	27.25
Kushal Nitinbhai Patel	1998524	30.50	10-01-20	1998524	Allotment of Bonus Equity Shares	3997048	30.50	3997048	30.50
Amitkumar Govindbhai Patel	712200	10.87	10-01-20	712200	Allotment of Bonus Equity Shares	1424400	10.87	1424400	10.87

\* As per the record of the Registrar and Transfer Agent (RTA) of the Company.

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the beginning of the year is 6552000.
2. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 13104000 Shares.

Further, there are no transactions have been executed by Independent Directors and Key Managerial Personnel based on weekly BenPose of the Company and confirmation given by them.

#### 5) Indebtedness

( Amount in ₹ )

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>A. Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	13,36,20,767.00	2,06,99,625.00	-	15,43,20,392.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total A (i+ii+iii)</b>	<b>13,36,20,767.00</b>	<b>2,06,99,625.00</b>	<b>-</b>	<b>15,43,20,392.00</b>
<b>B. Change in Indebtedness during the financial year</b>				
Additions		-	-	

Reduction	(87,39,384.00)	(2,72,845.00)	-	(90,12,229.00)
<b>Net Change B</b>	<b>(87,39,384.00)</b>	<b>(2,72,845.00)</b>	<b>-</b>	<b>(90,12,229.00)</b>
<b>C. Indebtedness at the end of the financial year</b>				
i) Principal Amount	12,48,81,383.00	2,04,26,780.00	-	14,53,08,163.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total C (i+ii+iii)</b>	<b>12,48,81,383.00</b>	<b>2,04,26,780.00</b>	<b>-</b>	<b>14,53,08,163.00</b>

## 6) Remuneration of Directors and Key Managerial Personnel

## A) Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

Particulars of Remuneration	Nitinbhai Patel Chairman cum Managing Director	Kushal Patel Managing Director	Amitkumar Patel Whole-Time Director	Total Amount
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	24,00,000.00	24,00,000.00	24,00,000.00	72,00,000.00
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
Stock option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
as % of profit	-	-	-	-
others (specify)	-	-	-	-
Others, please specify	-	-	-	-
<b>Total (A)</b>	<b>24,00,000.00</b>	<b>24,00,000.00</b>	<b>24,00,000.00</b>	<b>72,00,000.00</b>
<b>Ceiling as per the Act</b>	Since, the Company has incurred inadequate profit during the year (profit inadequate to pay remuneration), the remuneration has been paid in terms Schedule V to the Companies Act, 2013.			<b>84,00,000</b>

## B) Remuneration to other Directors

(Amount in ₹)

Particulars of Remuneration	Dhruven Patel Independent Director	Diptiben Patel Independent Director	Rakesh Patel Independent Director	Total Amount
<b>a) Independent Director</b>				
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
<b>Total (a)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>b) Other Non-Executive Directors</b>	-	-	-	-
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
<b>Total (b)</b>	-	-	-	-
<b>Total (B)</b>	-	-	-	-
<b>Total Managerial Remuneration (A+B)</b>	-	-	-	<b>72,00,000.00</b>
<b>Overall Ceiling as per the Act</b>	Since, the Company has inadequate profit during the year (profit inadequate to pay remuneration), the remuneration has been paid in terms Schedule V to the Companies Act, 2013.			<b>84,00,000</b>

**C) Remuneration to Key Managerial Personnel**

(Amount in ₹)

Particulars of Remuneration	Riya Shah* Chief Financial Officer	Deepakkumar Chaubisa Company Secretary	Total Amount
<b>Gross salary</b>			
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	3,00,000.00 <sup>*</sup>	4,18,400.00 <sup>§</sup>	<b>7,18,400.00</b>
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
<b>Stock option</b>	-	-	-
<b>Sweat Equity</b>	-	-	-
<b>Commission</b>	-	-	-
as % of profit	-	-	-
others (specify)	-	-	-
<b>Others, please specify</b>	-	-	-
<b>Total</b>	<b>3,00,000.00<sup>*</sup></b>	<b>4,18,400.00<sup>§</sup></b>	<b>7,18,400.00</b>

\* Mrs. Riya Shah had resigned from post of Chief Financial Officer with effect from 30/12/2019.

§The above salary taken after deducted leave taken by respective employee.

**7) Penalties / Punishment/ Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					

C. Other Officers in Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					

**Registered office:**  
 Servey No. 324 357 358,  
 Kadi Thol Road, Borisana Kadi,  
 Mahesana - 382715 Gujarat

For and on behalf of Board of Directors  
**Axita Cotton Limited**  
 CIN: L17200GJ2013PLC076059

**Date:** August 27, 2020  
**Place:** Kadi Mahesana

**Kushal Nitinbhai Patel**  
 Managing Director  
 DIN 06626639

**Amitkumar Govindbhai Patel**  
 Whole-Time Director  
 DIN 06626585



## FORM NO. AOC-2 - PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

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

(Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

There were no contracts or arrangements or transactions entered into by the Company during the financial year ended on March 31, 2020, which were not at arm's length basis.

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

Sr. No.	Particulars	RPT - 1	RPT - 2 <sup>5</sup>	RPT- 3	RPT-4	RPT-5	RPT-6
1.	Name(s) of the related party and nature of relationship	Axita Exports Private Limited - Company wherein directors are interested	Aditya Oil Industries Limited - Company wherein directors are interested	Shreenathji Enterprise-Sole Proprietor business of Mrs. Gitaben Nitinbhai Patel-Relative of Director	Mrs. Geetaben Nitinbhai Patel- Relative of Director	Mrs. Pooja Kushal Patel- Relative of Director	Mrs. Riya Shah
2.	Nature of contracts/ arrangements/ transactions	Purchase of Raw Material and Sale of Product	Purchase of Raw Material and Sale of Product	Purchase of Raw Material and Sale of Product	Payment of Remuneration	Payment of Remuneration	Payment of Remuneration
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20	F.Y. 2019-20
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of Raw Materials: ₹ 12,15,58,986 Sale of Products: ₹ 45,05,91,700	Purchase of Raw Material: ₹ 16,12,21,123 Sale of product: ₹ 22,02,23,398	Purchase of Raw Material: ₹ 56,17,49,114 Sale of product: 6,88,85,200	Payment of Remuneration ₹ 7,20,000	Payment of Remuneration ₹ 6,40,000	Payment of Remuneration ₹ 3,00,000
5.	Date(s) of approval by the Board	March 08, 2019 & August 28, 2019	March 08, 2019 & August 28, 2019	March 08, 2019	March 08, 2019	March 08, 2019	March 08, 2019
6.	Amount paid as advances, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\* All transaction entered by the Company is at market rate and on arm's length basis.

<sup>5</sup>Aditya Oil Industries, Partnership firm was converted into Private Company after that Private Company was converted into Public Company.

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For and on behalf of Board of Directors  
**Axita Cotton Limited**  
CIN: L17200GJ2013PLC076059

Date: August 27, 2020  
Place: Kadi Mahesana

Kushal Nitinbhai Patel  
Managing Director  
DIN 06626639

Amitkumar Govindbhai Patel  
Whole-Time Director  
DIN 06626585

## PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.

## A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a) The ratio of remuneration of each director to the median remuneration of employees for the financial year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration	Percentage Increase
1.	Nitinbhai Patel	Chairman Cum Managing Director	Remuneration	8.00 : 1.00	33.33%
2.	Kushal Patel	Managing Director	Remuneration	8.00 : 1.00	33.33%
3.	Amitkumar Patel	Whole-Time Director	Remuneration	8.00 : 1.00	33.33%
4.	Dhruven Patel	Independent Director	Sitting Fees	-	Not Applicable
5.	Diptiben Patel	Independent Director	Sitting Fees	-	Not Applicable
6.	Rakesh Patel	Independent Director	Sitting Fees	-	Not Applicable
7.	Mrs. Riya Shah	Chief Financial Officer	Salary	1.01:1	33.33%
8.	Mr. Deepak Chaubisa	Company Secretary	Salary	1.41:1	16.22%

- b) The percentage increase in the median remuneration of employees in the financial year:

The median remuneration of the employees in current financial year was increase by 240.91% over the previous financial year.

- c) The number of permanent employees on the rolls of the Company: 21 permanent Employees as on March 31, 2020.

- d) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The Average 85.75% increase was made in salary paid to the employees other than Key Managerial Personnel of the Company as compare to previous year. The average remuneration increased due to the Company hired some qualities employees during the year and qualitative payout to the existing employee so, that our business can run well and transparent manner. The average 85.75% counted on the basis of total salary paid to employees during the year 2019-20 other than Key Managerial Personnel (KMP) of the Company and compare it to salary paid to employees during the year 2018-19 other than Key Managerial Personnel (KMP). Whereas remuneration of the executive directors was increased by 33.33%. The remuneration paid to executive directors were within the limit as per approved by the shareholders of the Company and 33.33% salary was increased of Mrs. Riya Shah, Chief Financial Officer (CFO) and 16.22% salary was increased of Mr. Deepak Chaubisa, Company Secretary.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

## Registered office:

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Mahesana - 382715 Gujarat

For and on behalf of Board of Directors

**Axita Cotton Limited**  
CIN: L17200GJ2013PLC076059

Date: August 27, 2020  
Place: Kadi Mahesana

Kushal Nitinbhai Patel  
Managing Director  
DIN 06626639

Amitkumar Govindbhai Patel  
Whole-Time Director  
DIN 06626585

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO***(Pursuant to Section 134 (3) (m) of the Companies (Accounts) Rules, 2014 and rules made there under)***1. Conservation of energy -**

The Company lays great emphasis on savings in the cost of energy consumption. Effective measures have been taken to minimize the loss of energy as far as possible. Special emphasis is being given to energy consumption.

i.) **The steps taken or impact on conservation of energy:** Company has taken several steps to conserve energy through its "Sustainability" as its unit located in Borisana, Kadi, Mehsana are as under;

- Installation of LEDs at several locations.
- Service the machines every month so that the machines run efficiently and reduce power consumption.
- Creating awareness among all the staff member to conserve energy.
- Use panel censor for energy consumption.
- Using 5 (Five) Star Motor which reduce power consumption.
- The Machines are run by trained person so that the machine can run efficiently and saving the energy consumption.

ii.) **The steps taken by the Company for utilizing alternate sources of energy:** The Company has planned to appoint energy advisors to examine and suggest for alternate of energy if possible using the same for working operations.

iii.) **The capital investment on energy conservation equipment:** During the year under review, Company has not incurred any capital expenditure on energy conservation equipment.

**2. Technology absorption -**

i.) **The effort made towards technology absorption:** The Company is improving its production process and established durability testing for new process initiative.

ii.) **The benefit derived like product improvement, cost reduction, product development or import substitution:**

The benefit will be visible in future working.

iii.) **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -** Nil

iv.) **The expenditure incurred on Research and Development:** During the year under review, Company has not incurred any Expenditure on Research and Development

**3. Foreign Exchange Earnings & Expenditure:**

i.) **Details of Foreign Exchange Earnings:**

(Amount in ₹)

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2018-19
1.	Foreign Exchange Earnings*	236,33,36,140.00	58,82,32,595.00

ii.) **Details of Foreign Exchange Expenditure:**

(Amount in ₹)

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2018-19
1.	Foreign Exchange Outgo	7,46,08,037.00	3,64,40,374.00

\*Amount derived based on export of the Company.

**Registered office:**

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Mahesana - 382715 Gujarat

For and on behalf of Board of Directors

**Axita Cotton Limited**

CIN: L17200GJ2013PLC076059

**Date:** August 27, 2020

**Place:** Kadi Mahesana

**Kushal Nitinbhai Patel**  
Managing Director  
DIN 06626639

**Amitkumar Govindbhai Patel**  
Whole-Time Director  
DIN 06626585

## SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**AXITA COTTON LIMITED**  
Survey No. 324 357 358,  
Kadi Thol Road Borisana, Kadi,  
Mahesana-382715, Gujarat.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AXITA COTTON LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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 March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment;
- 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 and circulars/ guidelines/Amendments issued there under;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/ guidelines/Amendments issued there under;
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and circulars/ guidelines/Amendments issued there under;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars/ guidelines/Amendments issued there under; and
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and circulars/ guidelines/Amendments issued there under.
- vi. Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules made there under, Regulations, Guidelines etc. mentioned above.

Further company being engaged in the business of producing cotton bales and cotton seeds, there are few major specific and general applicable acts/rules to the Company, which requires approvals or compliances under the respective acts/rules, as list out in the **Annexure I**. We have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the said major specific and general acts/rules.

During the Period under review, provisions of the following Acts, Rules, Regulations, Standards were not applicable to the Company,

- i. 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; - the Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed Link Intime India Private Limited as Registrar & Share Transfer Agent as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

## I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that -**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that during the period under review-**

1. The shareholders of the Company, through a special resolution passed at the Extra-ordinary General Meeting held on April 12, 2019 authorized the Board of Directors of the Company to appoint the Statutory Auditors to fill up the casual vacancy due to resignation of M/s. Manish Dave & Co., Chartered Accountants, Ahmedabad (FRN:0118396W). The consent of the Members was given and M/s. Mistry & Shah, Chartered Accountants, Ahmedabad (FRN: 122702W) were appointed as statutory auditors upto the conclusion of the ensuing general meeting i.e. 6<sup>th</sup> Annual General Meeting of the Company and they shall conduct the Statutory audit for the financial year ended on March 31, 2019. Subsequently in the 6<sup>th</sup> AGM held on September 27, 2019 in which M/s. Mistry & Shah, Chartered Accountants Ahmedabad (Firm registration number: 122702W) appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of 6<sup>th</sup>(Sixth) Annual General Meeting of the Company till the conclusion of 11<sup>th</sup> (Eleventh) Annual General Meeting of the Company to be held in the calendar year 2024.
2. The shareholders of the Company, through a special resolution passed at the Extra-ordinary General Meeting held on December 13, 2019 authorized the Board of Directors of the Company :
  - (a) To increase the Authorised Share Capital of the Company and consequent alteration of Clause V of the Memorandum of Association of the Company to increase the authorized share capital of the Company from ₹ 7,00,00,000/- (Rupees Seven Crore only) divided into 7000000 (Seventy Lakh) equity shares of ₹ 10/- each to ₹ 14,00,00,000/- (Rupees Fourteen Crore only) divided into 14000000 (One Crore Forty Lakh) equity shares of ₹ 10/- each by creating additional 7000000 (Seventy Lakh) equity shares of ₹ 10/- each ranking paripassu in all respect with the existing equity shares of the Company.
  - (b) To issue the Bonus Shares in the proportion of 1 (One) new fully paid-up equity share of ₹ 10/- (Rupees Ten only) each for every 1 (One) existing fully paid-up equity shares of ₹ 10/- (Rupees Ten only) each by capitalization of a sum of ₹ 6,55,20,000 (Rupees Six Crore Fifty Five Lakhs Twenty Thousand only) from and out of the securities premium account and/or any other permitted reserves/ surplus of the Company. The Ex-bonus date and Record date for the purpose of bonus was December 26, 2019 and December 27, 2019 respectively. The BSE Limited granted Listing and trading permission for bonus shares w.e.f. January 07, 2020.

Place: Ahmedabad  
Date: August 27, 2020

Anand Lavingia  
Practicing Company Secretary  
ACS No. : 26458 C P No. : 11410  
UDIN: A026458B000625419

**Note:** This Report is to be read with Annexure I and my letter of even date which is annexed as Annexure II and both Annexures form integral part of this report.

**Annexure I****List of major Specific and General Acts/Rules applicable to the Company**

1. The Textile Committee Act, 1963 (the "Committee")
2. The Textiles Committee (Cess) Rules, 1975
3. The Gujarat Textile Policy, 2012
4. Textile (Development and Regulation) Order, 2001 ("Textile Order")
5. The Cotton Control Order, 1986 ("Cotton Order")
6. The Micro, Small and Medium Enterprises Development Act, 2006
7. The Income Tax Act, 1961
8. The Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under
9. The Gujarat Industrial Policy, 2015
10. The Legal Metrology Act, 2009
11. The Sale of Goods Act, 1930 (Sale of Goods)
12. The Arbitration and Conciliation Act, 1996
13. The Competition Act, 2002
14. The Consumer Protection Act, 1986 (COPRA)
15. The Specific Relief Act, 1963
16. The Negotiable Instruments Act, 1881
17. The Industrial Disputes Act, 1947 ("ID Act") and Industrial Dispute (Central) Rules, 1957
18. The Factories Act, 1948
19. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
20. The Payment of Gratuity Act, 1972
21. The Payment of Bonus Act, 1965
22. The Apprentices Act, 1961
23. The Workmen Compensation Act, 1923 ("WCA")
24. The Equal Remuneration Act, 1976
25. The Maternity Benefit Act, 1961
26. The Child Labour (Prohibition and Regulation) Act, 1986
27. The Industrial Employment (Standing orders) Act, 1946

28. The Registration Act, 1908
29. The Indian Stamp Act, 1899
30. The Transfer of Property Act, 1882
31. The Gujarat Stamp Act, 1958
32. The Indian Contract Act, 1872
33. The Contract Labour (Regulation and Abolition) Act, 1970
34. The Gujarat Shops and Establishments Act, 1948

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**Annexure II**

To,  
The Members,

**AXITA COTTON LIMITED**

Survey No. 324 357 358,  
Kadi Thol Road Borisana, Kadi,  
Mahesana-382715, Gujarat

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me 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. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad  
Date: August 27, 2020

Anand Lavingia  
Practicing Company Secretary  
ACS No. : 26458 C P No. : 11410



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****BUSINESS SCENARIO:**

Indian's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the Country. India's textile Industry has a capacity to produce wide variety of products suitable for different market segment, both within Indian and across the world. Favorable trade policies and superior quality to drive textile exports. Cotton and fibres are major segments in this category. Indian product has gained a significant market share in global home textiles in the past few years. India is expected to be a key growth market for the technical textile sector due to cost-effectiveness, durability and versatility of technical textiles. Textile manufacturing in India has been growing robustly.

**OVERALL REVIEW:**

The overall review profitability of the Company during the year under review, as compared to the previous year, has been adversely affected due to unfavorable market conditions prevailing for a major part of the year in all the business segments and to some extent towards the latter part of the March profitability also got impacted on account of the lockdown pursuant to Government directives to prevent spread of pandemic COVID-19. Indian textile industry is facing huge liquidity crunch and uncertainty pertaining to future orders.

**COMPANY OVERVIEW:**

Axita Cotton Limited (hereinafter referred to as Company) is more focused on export of the Company products. We are not focusing on profit right now but are focusing on increasing the global customer. Axita Cotton Limited always tries to move forward with a new thought. The goal of Axita Cotton Limited goes beyond the balance sheet, and focuses on creating an impact on people and environment and giving support to lives through generating avenues for financial independence and employment.

**OPPORTUNITIES AND THREATS:****Opportunities:**

- Technical Textiles.
- Rising demand in exports.
- Promote Textile Sector related Policies by Government.
- The Indian textile industry is set for strong growth, buoyed by both storing domestic consummation as well as export demand.
- Buyers' preference for India.
- Self-sufficiency for raw materials.

**Threats:**

- Threat from low cost production countries
- Geographical Disadvantage.
- Political/Economic Instability.
- To maintain balance between price and quality.
- Currently the biggest threat is COVID-19 and its impact.

**OUTLOOK AND FUTURE PROSPECTS:**

The major business of our Company is Cotton Bales. India will retain its position as an important cotton producer, globally. Due to heavy flooding and unseasonal rains, which dampened the prospectus for a good crop. Cotton bales production in India has increased over last financial year. India has attached the global cotton players with its record production and increase in stock situation, to provide the world cotton market. If I talk about future of cotton bales business is bright. It is a testing period for all of us, but with our good brand image and network in the market, the dependency on reliable reputed players in the market, we expect to be back on track soon.

**RISKS & CONCERNS:**

In today's complex business environment almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Timely and effective risk management is of prime importance to our continued success.

**SUBSIDIARIES/JOINT VENTURES:**

The Company does not have subsidiaries associates and joint ventures companies.

**HUMAN RESOURCES:**

The Company's relations with the employees continued to be cordial and harmonious relations with its employees. It consider manpower as its assets and that people had been driving force for growth and expansion of the Company. The Company acknowledge that its principal assets is it employees.

**FINANCIAL RESULTS:**

The Company's financial performance for the year ended March 31, 2020 is summarized below:

(Amount Rs. in Lakhs)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
Net Sales/Income from Operations (Net of GST)	48,441.38	21,179.84
Other Income	13.25	232.53
<b>Total Income from Operations (Net)</b>	<b>48,454.63</b>	<b>21,412.37</b>
Earnings Before Interest, Taxes, Depreciation and Amortization Expense	401.93	305.21

Less: Finance Cost	295.29	179.67
Less: Depreciation and Amortization Expense	52.87	56.50
<b>Profit Before Tax</b>	<b>53.77</b>	<b>69.04</b>
Less: Tax Expense	18.45	22.90
<b>Profit After Taxation</b>	<b>35.32</b>	<b>46.14</b>

**COMPANY'S PERFORMANCE:**

The total income from operations (net) of the Company for the year under review is ₹ 48,454.63 lakh as compared to ₹21,412.37 lakh in the previous year. Profit after taxation stood at ₹ 35.32 Lakh as compared to Profit after taxation of ₹ 46.14 Lakh in the previous year due to increase in finance cost and other expenses etc.

**SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:**

The Company operates in only single segment. Hence segment wise performance is not applicable.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Internal Control system and adequacy Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. Thus internal control is an integral component of risk management. The Internal control checks and internal audit programmers adopted by our Company plays an important role in the risk management feedback loop in which the information generated in the internal control process is reported back to the Board and Management. The internal control systems are modified continuously to meet the dynamic change. Further the Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

**KEY FINANCIAL RATIOS:**

The key Financial Ratios during Financial Year 2020 vis-à-vis Financial Year 2019 are as below:

Particulars	Financial Year 2019-20	Financial Year 2018-19
Debtors Turnover	18.92	20.08
Inventory Turnover	59.48	25.54
Current Ratio	1.32	1.71
Interest Coverage Ratio	1.18	1.38
Debt Equity Ratio	0.78	0.83
Operating Profit Margin	0.11%	0.33%
Net Profit Margin	0.07%	0.21%
Return on Net Worth	1.95%	2.59%

The key Financial Ratios has not witnessed a significant change i.e. a change of 25% or more as compared to previous financial year 2018-19 except Inventory Turnover Ratio and Operating Profit Margin and Net Profit Margin.

**Detailed explanation related to % change in Key Financial Ratios are given below:**

**Inventory Turnover:** Due to Company's turnover have increased significantly over the last year.

**Operating Profit Margin & Net Profit Margin:** Due to dollar fluctuation.

**CAUTIONARY STATEMENT:**

Statement in this report describing the Company's objectives projections estimates and expectation may constitute "forward looking statement" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumption and expectations of future events. These Statements are subject to certain risk and uncertainties. The Company cannot guarantee that these assumption and expectations are accurate or will be realized. The actual results may different from those expressed or implied since the Company's operations are affected by many external and internal factors which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments information or events.

**Registered office:**

Servey No. 324 357 358,  
Kadi Thol Road, Borisana Kadi,  
Mahesana - 382715 Gujarat

For and on behalf of Board of Directors

**Axita Cotton Limited**

CIN: L17200GJ2013PLC076059

**Date:** August 27, 2020

**Place:** Kadi Mahesana

**Kushal Nitinbhai Patel**  
Managing Director  
DIN 06626639

**Amitkumar Govindbhai Patel**  
Whole-Time Director  
DIN 06626585

INDEPENDENT AUDITOR'S REPORT

To The Members of Axita Cotton Limited

Report on the Audit of the Financial Statements

**Opinion**

We have audited the accompanying financial statements of Axita Cotton Limited (the 'Company'), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, the Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020 and its Profit and Cash Flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no significant matters that are required to be disclosed here.

**Information other than Financial Statements and the Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report the fact. We have nothing to report in this regard.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- **Materiality**  
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- **Communication with Management**  
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.  
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that Managerial Remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
2. As required by 'the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A", the statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. Further to our comments in Annexure A, as required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Other Matter**

We draw attention to Note no. 3.34 of the financial statements, which describes that based on current indicators of future economic conditions, the Company expects to recover the carrying amount of all its assets & revenue recognized. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions. Our opinion is not modified in respect of this matter.

Due to COVID-19 related lockdown, we were unable to observe the Management's year end physical verification of inventory. We have performed alternate audit procedures to audit the existence of inventory as per the guidance provided in SA-501 "Audit Evidence-Specific Considerations for Selected Items", which includes inspection of supporting documentation relating to purchases, production, sales, results and cyclical count performed by management through the year and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Results.

Our report is not modified in any of the above matters.

For Mistry & Shah  
Chartered Accountants  
F.R.N: - 122702W

Date: 28/07/2020  
Place: Ahmedabad

Malav Shah  
Partner  
M.NO. 117101  
UDIN: 20117101AAAACN7619

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**"Annexure A"****To the Independent Auditor's Report on the Financial Statements of Axita Cotton Limited**

Based on the audit procedures performed for the purpose of reporting true and fair view on the financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief we report that:

1. (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
(b) The Company has a regular program of physical verification in a phased periodic manner, which is in our opinion, is reasonable having regards to size of the Company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the period and no material discrepancies between the book records and the physical fixed assets have been noticed.  
(c) The title deeds of Immovable property is held in the name of the company.
2. The management has conducted physical verification of the Inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans to director's including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014 (as amended). Accordingly, the provision of clause 3(v) of the Order is not applicable.
6. As per the sub section (1) of section 148 of the Companies Act, 2013 the company is not required to maintained cost records.
7. (A) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues Income Tax, Cess and other statutory dues applicable to it. But The company has defaulted in payment of Provident Fund dues and the same have not been deposited up to the date of the signing of our audit report.  
(B) According to information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income Tax, Cess and other statutory were outstanding, at the year end, for a period of more than six months from the date they become payable.
8. In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans and borrowing to a financial institution, Bank or Government or dues to Debenture Holders.

9. In our opinion and according to the information and explanations provided by the management, the Company has utilized the monies raised by way of debt instrument, Initial Public offer and term loan for the purpose for which they were raised.

10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statement and according to the information and explanations provided by the management, we report that no fraud by the Company or on the company by the officers or employees of the Company has been noticed or reported during the period.

11. Managerial Remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.

13. According to the information and explanations provided by the management transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the in the Financial Statements as required by the applicable accounting standards.

14. According to the information and explanations provided to us and overall examination of balance sheet, the Company has not made preferential allotment/private placement of shares or fully and partly convertible Debenture during the year under review hence, reporting requirement under clause 3(xiv) of the order is not applicable to the company and not commented upon.

15. According to the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

16. According to the information and explanations provided to us, the provisions of section 45-IA of Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For Mistry & Shah  
Chartered Accountants  
F.R.N: - 122702W

Date: 28/07/2020  
Place: Ahmedabad

Malav Shah  
Partner  
M.NO. 117101  
UDIN: 20117101AAAACN7619

#### “Annexure B”

#### To the Independent Auditor's on the Financial Statements of Axita Cotton Limited

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

We have audited the internal financial controls over financial reporting of Axita Cotton Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Control system over Financial Reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles.

A Company's Internal Financial Control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mistry & Shah**  
**Chartered Accountants**  
**F.R.N: - 122702W**

**Date: 28/07/2020**  
**Place: Ahmedabad**

**Malav Shah**  
**Partner**  
**M.NO. 117101**  
**UDIN: 20117101AAAACN7619**

BALANCE SHEET AS AT MARCH 31, 2020

(Amount in ₹)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
(a) Share Capital	3.1	131,040,000	65,520,000
(b) Reserves and Surplus	3.2	49,821,901	112,484,599
		180,861,901	178,004,599.34
Non-Current Liabilities			
(a) Long-Term Borrowings	3.3	-	3,500,000
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
		-	3,500,000
Current Liabilities			
(a) Short-Term Borrowings	3.4	141,274,213	144,820,393
(b) Trade Payables	3.5	265,884,329	32,771,175
(c) Other Current Liabilities	3.6	11,816,739	12,761,092
(d) Short Term Provision	3.7	43,294,112	10,944,040
		462,269,393	201,296,700
<b>Total</b>		<b>643,131,295</b>	<b>382,801,299</b>
<b>ASSETS</b>			
Non-Current Assets			
(a) Property, Plants and Equipments			
Tangible Assets	3.8	34,029,543	38,057,319
Intangible Assets		-	-
Capital Work-In-Progress		-	-
Intangible Assets Under Development		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets		913,122	671,204
(c) Long-term Loan and Advances		-	-
(d) Other Non-Current Assets	3.9	-	707,133
		34,942,665	39,435,656
Current Assets			
(a) Current Investments		-	-
(b) Inventories	3.10	54,068,095	99,139,798
(c) Trade receivables	3.11	407,601,005	104,415,959
(d) Cash and Cash Equivalents	3.12	30,638,996	5,877,647
(e) Short-Term Loans and Advances	3.13	17,034,823	93,065,954
(f) Other current Assets	3.14	98,845,711	40,866,285
		608,188,630	343,365,643
<b>Total</b>		<b>643,131,295</b>	<b>382,801,299</b>
Contingent Liabilities	3.15	572,812,929	-

Corporate Information	1		
Significant Accounting Policies	2		
Notes on Financial Statements	3		

As per our report of even date  
For Mistry & Shah LLP  
Chartered Accountants  
FRN: 122702W

For and on Behalf of the Board  
Axita Cotton Limited

Kushal Patel  
Managing Director  
DIN: 06626639

Amit Patel  
Whole Time Director  
DIN: 06626585

Malav Shah  
Partner  
M.NO. 117101  
Place: Ahmedabad  
Date : 28/07/2020

Jayesabhai Thakor  
CFO  
Place: Kadi, Mehsana  
Date: 28/07/2020

Deepak Chaubisa  
CS (M. No.: A45536)

STATEMENT OF PROFIT & LOSS FOR YEAR ENDING ON MARCH 31, 2020

(Amount in ₹)

Particulars	Note No.	For the year ended on March 31, 2020	For the year ended on March 31, 2019
INCOME :			
Revenue from Operations	3.16	4,844,138,078	2,134,373,261
Other Income	3.17	1,325,386	479,575
		4,845,463,464	2,134,852,836
EXPENDITURE:			
Cost of Materials Consumed	3.18	878,674,756	659,388,056
Purchase of stock-in-trade	3.19	3,678,255,267	1,405,624,945
Changes in Inventories	3.20	29,633,645	(28,235,338)
Employee Benefit Expenses	3.21	19,064,804	12,352,837
Finance Costs	3.22	29,528,732	17,965,903
Depreciation Expenses	3.8	5,286,725	5,649,982
Other Expenses	3.23	199,642,325	55,202,174
		4,840,086,255	2,127,948,559
Profit before Exceptional and Extraordinary Items and Tax		5,377,209	6,904,277
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		5,377,209	6,904,277
Extraordinary Items		-	-
Profit Before Tax		5,377,209	6,904,277
Tax Expenses			
Current Tax		2,086,825	2,546,696
Deferred Tax		241,918	256,651
Profit after Tax for the year		3,532,302	4,614,232
Earnings per Equity Share			
-Basic (Restated for 2018-19)		0.27	0.43
-Diluted (Restated for 2018-19)		0.27	0.43
Corporate Information	1		
Significant Accounting Policies	2		
Notes On Financial Statements	3		

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Date: 28/07/2020

Deepak Chaubisa  
CS (M. No.: A45536)

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in ₹)

Sr.No.	Particulars	For the year ended on March 31, 2020	For the year ended on March 31, 2019
1	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit (Loss) As per Profit & Loss Account	3,532,302	4,614,232
<b>A</b>	<b>Tax and Extra-Ordinary Item</b>		
	Amt Transferred to Reserve	(675,000)	(1,261,255)
	Income Tax	2,086,825	2,546,696
	Deferred Tax	(241,918)	256,651
	<b>Net Profit (Loss) before tax</b>	<b>4,702,209</b>	<b>5,643,022</b>
<b>B</b>	<b>Adjustments:-</b>		
	Depreciation	5,286,725	5,649,982
	Credit written off	-	-
	Preliminary expenses written off	707,133	78,572
	Interest Expense	29,528,732	17,965,903
	Provision Created for the year	41,872,096	-
	Interest Income	(150,481)	(195,839)
	<b>Operating profit(loss) before working capital changes</b>	<b>81,946,414</b>	<b>29,141,640</b>
<b>C</b>	<b>Adjustments:-</b>		
	Decrease/(Increase) in Inventory	45,071,703	(36,098,198)
	Decrease/(Increase) in Trade Receivables	(297,071,090)	2,153,024
	Decrease/(Increase) in Other Current Assets	(57,979,426)	(40,753,612)
	Decrease/(Increase) in Short Term Loans and Advances	76,031,130	(83,686,477)
	Payment of Short Term Provisions	(9,299,816)	7,270,203
	(Decrease)/Increase in Trade Payables	233,113,155	30,518,408
	(Decrease)/Increase in Other Current liabilities	(7,241,216)	(6,005,909)
	(Decrease)/Increase in Short Term Borrowings	(3,546,179)	(8,556,148)
	<b>Net Cash Flow before tax and extra ordinary item</b>	<b>61,024,675</b>	<b>(106,017,069)</b>
	Less: Direct Taxes Paid	2,126,126	5,873,150
	Less: Extraordinary Items	-	-
	<b>Net Cash Flow from Operating Activities</b>	<b>58,898,549</b>	<b>(111,890,219)</b>
2	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
a	Acquisition of Fixed Assets	(1,258,950)	(1,888,804)
b	Capital Gain Income	-	-
c	Change in DTA	-	-
d	Interest Income	150,481	195,839
	<b>Net Cash Flow from Investing Activities</b>	<b>(1,108,469)</b>	<b>(1,692,965)</b>
3	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
a	Long Term Borrowing Repaid	(3,500,000)	(6,762,405)
b	Interest and finance cost	(29,528,732)	(17,965,903)
c	Shares Issued	-	139,620,000
d	Share Issue Expenses	-	-
	<b>Net Cash Flow from Financing Activities</b>	<b>(33,028,732)</b>	<b>114,891,692</b>
	Net Increase in Cash and Equivalent.	24,761,348	1,308,508
	Cash And Cash Equivalents as at the Beginning of the year	5,877,647	4,569,139
	<b>Cash And Cash Equivalents as at the Closing of the year</b>	<b>30,638,996</b>	<b>5,877,647</b>

As per our report of even date  
For Mistry & Shah LLP  
Chartered Accountants  
FRN: 122702W

For and on Behalf of the Board  
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CFO  
Place: Kadi, Mehsana  
Date: 28/07/2020

Deepak Chaubisa  
CS (M. No.: A45536)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****Note: 1. Corporate Information**

Axita Cotton Limited (“the Company”) is a company incorporated in Ahmedabad, Gujarat, India on 23rd March, 2016. The Registered office of the Company is Located at Servey No. 324, 357, 358, Kadi-Thol Road, Borisana, Kadi, Mahesana, Gujarat-382715, India.

The Company is engaged in activities of manufacturing, processing & finishing of cotton bales.

**Note: 2. Significant Accounting Policies:****2.1 Basis of Preparation of Financial Statement**

The financial statements have been prepared on the historical cost.

The financial statement of the company have been prepared to comply with Accounting Standards as prescribed under section 133 of The Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2014.

The preparation of financial statements in conformity with the Accounting Standards requires the Management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Company’s Financial Statements are presented in Indian Rupees (₹), which is also its functional currency

**2.2 Summary of Significant Accounting Policies****(a) Property, Plant & Equipment**

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost include purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use, net charges on foreign exchange attributable to the assets. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, appropriate, only when it’s probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Depreciation on Fixed asset is provided on a Written Down Value Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

Sr. No.	Major Head	Assets Included	Useful Life
1.	Buildings	Factory Building	30 Years
		Tubewell	5 Years
2.	Plant and Machinery	Plant and Electric Installation	15 years
3.	Motor Vehicle	Truck and Car	8 Years
		Motor Cycle	10 Years
4.	Office Equipment	Air Conditioner and Refrigeration	15 Years
		CCTV and Television	5 Years
5.	Furniture & Fixtures	Furniture	10 Years
6.	Computers & Data Processing Units	Computers & Printers	3 Years
		Software	10 Years

**(b) Intangible Assets**

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less accumulated amortization and accumulated impairment, if any. Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the Asset and are recognized in the statement of profit and loss when the asset is derecognized.

Intangible assets are amortized on their useful life estimates subject to AS-26 “Intangible Assets” issued by The Institute of Chartered Accountants of India.”



**(c) Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**(d) Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

**(e) Provisions and Contingent Liability**

Provisions and Contingent Liability are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amount of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Contingent Liability has been recognized in current year regarding the trade receivables discounted with Bank and the liability for same shall arise only on default by the counter party hence recorded as contingent liability.

**(f) Employee Benefits Expenses****Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

**Post Employment Benefits****a) Defined Contribution Plans**

Payments made to a defined contribution plan such as Provident Fund is charged as an expense in the Statement of Profit and Loss as they fall due.

**b) Defined Benefit Plans**

Past Service Cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

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

**(g) Taxes on Income**

Tax expense comprises both current and deferred taxes. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

**(h) Foreign Currencies Transactions and Translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss except to the extent of exchange differences which are directly attributable to the acquisition or construction of qualifying assets which are accumulated in “Foreign Currency Monetary Item Translation Difference Account”.

Forward Contract Premium/discount is amortised over the life of contract and the premium/discount relating to next year has been recognised as deferred premium or discount. Accordingly, forward contracts as on 31-03-2020 have been amortised over two years.

**(i) Revenue Recognition**

Revenue from sale of goods is recognized when the significant risks and reward of ownership has been transferred to the buyer, recovery of the consideration is probable, and the amount of revenue can be measured reliably.

**(j) Cash and Cash Equivalents (for the purpose of Cash Flow Statement)**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, fixed deposits with banks which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in values.

**(k) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

**(l) Investment**

Investments are either classified as current or non-current based on management’s intention. All Investments are carried at cost.

**(m) Government Grant**

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grant will be received. Grants related to assets are shown as a deduction from gross value of the asset concerned. Grants related to revenue are reported as separate item and is not reduced from related expense for which the grants have been received.

Note: 3. Notes On Financial Statements:

**NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL, 2019 TO 31ST MARCH, 2020****Note No-3.1.1 Share Capital**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amt. in Rs	Number	Amt. in Rs
<b>Equity Share Capital of ₹ 10/- each</b>				
Authorized Share Capital	14,000,000.00	140,000,000.00	7,000,000	70,000,000.00
Issued Share Capital	13,104,000.00	131,040,000.00	6,552,000	65,520,000.00
Subscribed and Fully Paid Up	13,104,000.00	131,040,000.00	6,552,000	65,520,000.00
	13,104,000.00	131,040,000.00	6,552,000.00	65,520,000.00

**Notes**

1. The company has only one class of shares viz. equity shares having a par value of Rs.10/- each as above. All equity shares, in present and in future, rank pari passu with the existing equity shares of the company and each shareholder is entitled to one vote per share
2. The company has made a bonus issue of 65,52,000 shares in the ratio of 1:1 during the year ended 31-03-2020
2. The company has made an Initial Public Offer of 17,52,000 equity shares of face value Rs. 10 at the price of Rs. 60 per share during the year ended 31-03-2019. There has also been a right issue of 23,00,000 equity shares of Face Value Rs. 10 at the price of Rs. 15 per share during the year ended 31-03-2019.
3. The company is neither a subsidiary nor a holding company of any other body corporate. Disclosures as regards the Shareholdings in or by such body-corporate, accordingly, are not applicable on the company.
4. The equity shareholders of the company are entitled to get the dividend as and when proposed by the Board of Directors and approved by Share holders in the ensuing General Meeting.
5. In the Event of Liquidation of the company, the share holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

**Note No-3.1.2 Reconciliation of Share Capital**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amt. in Rs	Number	Amt. in Rs
<b>Equity Shares (Face Value ₹ 10.00)</b>				
Shares outstanding at the beginning of the year	6,552,000.00	65,520,000.00	2,500,000	25,000,000.00
Conversion of of fully paid up Compulsorily Convertible Debentures of Rs.10 each	-	-	-	-
Conversion from Unsecured Loans to Share Capital	-	-	-	-
Bonus Shares issued during the year	6,552,000.00	65,520,000.00	-	-
Shares Issued during the year	-	-	4,052,000.00	40,520,000.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	13,104,000.00	131,040,000.00	6,552,000.00	65,520,000.00

**Notes**

1. The company did not have outstanding calls unpaid by directors and officers of the company (Previous year NIL) and also did not have any amount of forfeited shares (Previous Year NIL).
2. As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**Note No-3.1.3 Shareholders holding more than 5% of Share**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	% of Holding	Number	% of Holding
Patel Kushal Nitinbhai	3,997,048	30.50%	1,998,524	30.50%
Patel Nitinkumar Govindbhai	3,571,000	27.25%	1,785,500	27.25%
Patel Amitkumar Govindbhai	1,424,400	10.87%	712,200	10.87%

## Note No- 3.2 Reserves and Surplus

Particulars	As at March 31, 2020		As at March 31, 2019	
		Amt. in ₹		Amt. in ₹
Surplus of Profit & Loss				
Opening Balance	14,645,853.98		13,358,074.00	
(+) Profit for the Current Year	3,532,302.04		4,614,231.98	
(-) Tax Paid of earlier Years	-		3,326,452.00	
Closing balance		18,178,156.02		14,645,853.98
Security Premium Account				
Opening Balance	97,838,745.36		0.00	
(+) Addition during the year	-		99,100,000.00	
(-) Bonus Issue and related Expenses	66,195,000.00		0.00	
(-) Preliminary expenses charged	-		1,261,254.64	
Closing Balance		31,643,745.36		97,838,745.36
		49,821,901.38		112,484,599.34

## Notes

1. Deduction from the Balance of Profit & Loss A/C is regarding the Income Tax paid for the F.Y. 2017-18 as provision for same had not been created during the year.

## Note No - 3.3 Long Term Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Term Loan from Bank ****		
OBC Bank Term Loan	-	3,500,000
Total	-	3,500,000

## Notes

1. The Term Loan from OBC Bank is secured against the assets as Follows

Details of Security	Type of Charge
Factory Land and Building situated at Survey No. 324, 357 and 358, Village: Borisana, Taluka: Kadi	Euitable Mortgage Paripassu 1st Charge

2. The Term Loan is required to be paid in Monthly Equated Installments

## Note No - 3.4 Short Term Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Borrowings from Bank		
OBC Bank CC*	120,847,433	124,120,767
Unsecured Loans & Advances from Related Parties		
Unsecured loan from Directors	20,426,780	20,699,625
Total	141,274,213	144,820,393

\* The OBC Bank CC is secured against hypothecation of entire current assets including raw material, stock in process, finished goods, stores & spares and receivables of the company

## Note No - 3.5 Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	3,223,715	3,167,555
Total outstanding dues of creditors other than micro enterprises and small enterprises	206,315,228	29,523,945
Advance from Debtors:	56,345,386	79,675
Total	265,884,329	32,771,175

## Notes

\* The company has dispatch letter by post/emails for asking MSME Registration of Vendors. Till date company has not received some of the confirmations on that. Hence in the absence of information, those vendors who have not confirmed are classified under Non-MSME Trade Payables .

\*\* Balance of Trade payable are subject to confirmations and unsecured; considered good by the management.

## Note No - 3.6 Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Duties & Taxes :		
GST Payable (RCM)	1,394,656	6,056,980
Current Maturities of Long Term Debts		
OBC Term Loan	4,033,950	6,000,000
Other Current Liabilities		
PF	14,466	704,112
Professional tax payable	76,800	-
Forward Contract Payable *	3,211,789	-
Deferred Forward Contract Discount *	3,085,073	-
<b>Total</b>	<b>11,816,735</b>	<b>12,761,092</b>

\* These accounts are recorded only in 2020-21 as no such transactions were outstanding as on 31-03-2019.

## Note No - 3.7 Short Term Provisions:

Particulars	As at March 31, 2020	As at March 31, 2019
Audit Fees Payable	297,000	180,000
Electric Expense Payable	45,067	350,000
Employee Benefits Payable	46,600	1,091,600
Interest for Bank CC A/C	1,108,008	-
Market fees payable	352,500	-
Rate Differene Payable	-	2,016,670
Rent Payable	75,748	-
Sales related allowances payable	38,851,448	4,760,000
Statutory Dues Payable	2,517,740	2,545,770
<b>Total</b>	<b>43,294,112</b>	<b>10,944,040</b>

## Note No: 3.8 Property, Plants and Equipments

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at April 1, 2019	Addition during the year	Ded/Adj during the year	As at March 31st, 2020	Upto March 31, 2019	For the Period	Ded/Adj during the year	Effect on Deprn as per Co. Act, 2013	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer & Printer	683,675	109,526	-	793,201	173,840	288,042	-	-	461,882	331,318.70	509,836
Electrification	1,926,089	25,500	-	1,951,589	794,296	206,398	-	-	1,000,694	950,896	1,131,794
Factory & Building	11,252,501	63,926	-	11,316,427	2,491,813	860,578	-	-	3,352,391	7,964,036	8,760,688
Land	8,621,474	-	-	8,621,474	-	-	-	-	-	8,621,474	8,621,474
Plant & Machinery	26,115,703	335,000	-	26,450,703	9,884,505	2,969,077	-	-	12,853,582	13,597,121	16,231,198
Motor Vehicles	3,215,120	624,855	-	3,839,975	1,315,741	695,642	-	-	2,011,383	1,828,592	1,899,379
Furniture	859,700	-	-	859,700	126,402	189,851	-	-	316,253	543,447	733,298
Office Equipments	465,077	100,145	-	565,222	295,427	77,137	-	-	372,564	192,658	169,650
Total :	53,139,339	1,258,952	-	54,398,291	15,082,023	5,286,725	-	-	20,368,748	34,029,543	38,057,316

## Notes

1. The Gross Carrying Amount of the Assets stated above is determined on the basis of Cost Model
2. The Company uses Written Down Value Method as method of Depreciation



**Note No-3.9 Other Non-Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Preliminary & Pre-Incorporation Fees.	-	707,133
<b>Total</b>	<b>-</b>	<b>707,133</b>

**Note No-3.10 Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
Bales	41,087,087	64,876,238
Kapas	-	15,438,060
Kapasiya	12,981,006	18,825,500
<b>Total</b>	<b>54,068,093</b>	<b>99,139,798</b>

**Note No-3.11 Trade Receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding for less than 6 months from the due date		
Unsecured, Considered Good	401,487,050	104,415,959
Forward Contract Receivable	6,113,955	-
Outstanding for more than 6 months from the due date	-	-
<b>Total</b>	<b>407,601,005</b>	<b>104,415,959</b>

**Notes**

1. Balance of Trade receivable are subject to confirmations and Unsecured; considered good by the Management
2. Forward contract receivable is shown separately as the contracts are not linked to specific debtors and thus cannot be accounted for through debtors

**Note No-3.12 Cash and Cash Equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Bank		
In Current Accounts	106,026	2,046,008
In Deposit Accounts	29,065,885	1,982,051
Cash On hand	1,467,085	1,849,588
<b>Total</b>	<b>30,638,996</b>	<b>5,877,647</b>

**Note No-3.13 Short Term Loans and Advances**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Deposits:</b>		
GEB Deposit	1,368,407	1,094,211
BSE Deposit	-	1,051,200
Rent Deposit	44,000	-
<b>Loans &amp; Advances:</b>		
Advance to Creditors	15,622,416	90,920,543
<b>Total</b>	<b>17,034,823</b>	<b>93,065,954</b>

**Note No - 3.14 Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Government Authorities	14,065,870	20,809,770
Dollar Fluctuation Receivable *	2,601,105	-
Duty Drawback Receivable	5,282,191	1,368,611
FD Interest Receivable	57,317	-
FIRE insurance receivable	2,634,664	-
GST Refund Receivable	55,093,543	18,216,204
GST Subsidy Receivable	15,596,576	-

Interest Equalization Receivable	2,371,503	-
Interest on GEB Deposit Receivable	74,661	61,549
MSME BSE Subsidy Receivable	500,000	-
Prepaid Expense	568,281	410,150
TDS Receivable	-	-
<b>Total</b>	<b>98,845,711</b>	<b>40,866,285</b>

\* Dollar Fluctuation receivable is amount receivable on account of exchange rate dispute with the bank and has been subsequently received in next year

**Note No - 3.15 Contingent Liabilities**

Particulars	Current Period	Previous year
Discounted Trade Receivable with bank	572,812,929	-
<b>Total</b>	<b>572,812,929</b>	<b>-</b>

**Note No - 3.16 Revenue from Operations**

Particulars	Current Period	Previous year
<b><u>Sales Revenue</u></b>		
Bales Sales Domestic	2,143,908,355	1,355,546,971
Bales Sales Export	2,363,336,141	586,082,491
Shankar Kapasia	277,391,752	176,354,559
	<b>4,784,636,248</b>	<b>2,117,984,021</b>
<b><u>Other Operating Revenue</u></b>		
Brokerage Income	1,920,000	-
Creditor Written off	-	83,854
Duty Drawback income	11,588,431	2,701,219
Fire Insurance claim income	364,818	-
Forex Gain	22,165,135	1,905,822
Forward Contract Discount	3,028,882	-
GST Subsidy Income	14,196,750	-
Interest Subsidy 5%	-	1,115,390
Interest Equalization income	4,457,683	-
Profit on Cotton Trading	71,092	-
Settlement Income	309,214	9,683,264
VAT Refund Income	1,399,826	899,691
	<b>59,501,831</b>	<b>16,389,240</b>
<b>Total</b>	<b>4,844,138,078</b>	<b>2,134,373,261</b>

**Note No - 3.17 Other Income**

Particulars	Current Period	Previous year
FD Interest	591,948	113,244
Interest Income	150,481	195,839
Interest on GEB Deposit	82,957	68,388
MSME BSE subsidy income	500,000	-
Prior Period Items	-	102,104
<b>Total</b>	<b>1,325,386</b>	<b>479,575</b>

**Note No - 3.18 Cost of Materials Consumed**

Particulars	Current Period	Previous year
<b>Opening Stock :</b>		
Raw material	15,438,060	7,575,200
<b>Add:- Purchase (Net)</b>	<b>863,236,696</b>	<b>667,250,916</b>
<b>Less:- Closing Stock</b>		
Raw material	-	15,438,060
<b>Total</b>	<b>878,674,756</b>	<b>659,388,056</b>

## Note No - 3.19 Purchase of Stock-in-trade

Particulars	Current Period	Previous year
Bales	3,661,173,093	1,391,463,923
Kapasiya	17,082,174	14,161,022
<b>Total</b>	<b>3,678,255,267</b>	<b>1,405,624,945</b>

## Note No - 3.20 Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress

Particulars	Current Period	Previous year
<b>Opening Balance</b>		
Bales	64,876,238	44,213,400
Kapasiya	18,825,500	11,253,000
	<b>83,701,738</b>	<b>55,466,400</b>
<b>Less : Closing Balance</b>		
Bales	41,087,087	64,876,238
Kapasiya	12,981,006	18,825,500
	<b>54,068,093</b>	<b>83,701,738</b>
<b>Total</b>	<b>29,633,645</b>	<b>(28,235,338)</b>

## Note No: - 3.21 Employee Benefits

Particulars	Current Period	Previous year
Bonus Exp.	-	224,500
<b>Directors Remuneration</b>	<b>7,200,000</b>	<b>5,400,000</b>
ICA Training Expense	-	241,483
Incentive Expenses	210,000	161,000
Employee Salary	11,541,156	5,959,710
PF Contribution	113,648	366,144
<b>Total</b>	<b>19,064,804</b>	<b>12,352,837</b>

## Note No: - 3.22 Finance Costs

Particulars	Current Period	Previous year
Bank Charges	1,516,306	712,309
Interest on CC A/c.	8,872,760	11,409,651
Interest on Car Loan	-	187,987
Interest on Unsecured Loan	2,763,686	3,683,092
Interest on Term Loan	699,530	1,176,170
Interest on LC Discounting	14,979,593	-
Interest A/c	696,857	796,695
<b>Total</b>	<b>29,528,732</b>	<b>17,965,903</b>

## Note No: - 3.23 Other Expense

Particulars	Current Period	Previous year
<b>DIRECT EXP:</b>		
Power expense	5,074,187	3,646,460
Ginning and Pressing Expense	294,581	720,519
Kapasia Kharajat Expense	104,177	126,800
Market Fees Expense	869,805	350,250
Packing Material	2,567,710	1,557,289
Sales allowances and Discounts	49,896,949	10,904,244
Stores, Spares and Consumables	1,847,388	1,314,536
	<b>60,654,796</b>	<b>18,620,097</b>
<b>INDIRECT EXP:</b>		
Agency charges	-	25,000

Audit Fees	511,000	294,100
Brokerage Exp.	34,470,322	6,001,862
Canteen and Food Expenses	152,622	58,650
Carring Charges	650,000	-
Cash Discount A/c.	-	67,206
Computer Repairing Exp.	76,134	19,493
Custom Clearing Charges	40,263,579	9,458,432
Donation	2,700	6,000
Factory License Expense	13,000	-
Fire Wooden Exp.	91,523	65,282
Forward Contract Cancellation Loss	3,233,824	-
Godown Charges	-	21,541
GST Expense	238,689	6,325
Inspection Fees	7,296,307	22,180
Insurance Expenses	1,840,193	139,139
International Trading Fees	84,700	-
Listing Fees	418,049	-
Merchant Banking Fees	-	3,000,000
Petrol and diesel expense	1,977,797	1,618,457
Postage and Courier Exp.	115,298	428
Preliminary Expenses written off	707,133	78,572
Professional and Consultancy Expenses	2,141,961	1,738,186
Rating Exp.	95,000	33,000
Registration and Membership Expenses	1,018,113	582,782
Rent Expense	498,490	-
Repairs and Maintenance	328,434	264,707
ROC Fees	8,200	-
Sales Promotion Expense	1,624,449	555,100
Settlement Account	404,816	4,313,661
Software Development Charges	78,780	-
Sponsorship charges	158,622	344,000
Stationery Exp.	76,738	209,172
Stock Audit	21,530	21,850
Sundry Bank Related Expenses	170,886	63,054
Sundry Office Expenses	192,629	172,085
Supervision Charges	158,851	-
Telephone and Internet Expense	151,481	19,121
Testing Expense	31,684	27,406
Transportation Expense	38,871,924	7,874,300
Travelling and Accomodation expense	1,011,856	653,709
Vatav Kasar and write off	(199,784)	(1,172,722)
	<b>138,987,529</b>	<b>36,582,077</b>
<b>Total</b>	<b>199,642,325</b>	<b>55,202,174</b>

### 3.24. Balance Confirmation

Balances from Trade Receivable, Trade Payables, Loans and Advances, Deposits and, including other payables are subject to confirmation. In the opinion of management of the Company, provisions for all known liabilities have been made in the books of accounts. Further, the current assets and liabilities are stated at the value realizable in the ordinary course of business.

### 3.25. Prior Period and Extraordinary Item

As per Accounting Standard-5, Net Profit and loss for the period, prior period items and change in accounting policies, Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. The company has recorded the Income Tax paid for the F.Y. 2017-18 during the year as a deduction from the Balance of Profit & Loss in the books of accounts, same arising on account of omission of creation of provision for Income Tax during the F.Y. 2017-18.

### 3.26. Event Occurring after Balance Sheet Date

As per AS 4 Events occurring after the balance sheet date are those significant events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the financial statements are approved by the Board of Directors in the case of a company, and, by the corresponding approving authority in the case of any other entity.

These events can broadly be classified in two ways:

- Those which provide further evidence of conditions that existed at the balance sheet date; and
- Those which are indicative of conditions that arose subsequent to the balance sheet date.

Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date.

Loss arising on cancellation of forward contracts has been recognised on amortised basis in the current year for contracts cancelled before the approval of the financial statements.

### 3.27. Earnings Per Share

Particular	Year ended March 31st, 2020	Year ended March 31st, 2019
Net Profit as per Profit and Loss Statement	35,32,302	46,14,232
Weighted Average Number of Equity Shares	1,31,04,000	1,06,25,458
Nominal Value Per Share	10.00	10.00
Basic EPS-Restated for 2018-19	0.27	0.43
Diluted EPS-Restated for 2018-19	0.27	0.43

\*The weighted average number of equity shares for calculation of EPS for the year 2019-20

- Calculation of Weighted Average Number of Equity Shares

Sr. No.	Date	Particulars	No. of shares	No of days share were outstanding	Weighted Average No of Equity Shares
1	1-Apr-2019	Opening balance of outstanding equity shares	65,52,000	365	65,52,000
2	27-Dec-2019	Bonus Issue	65,52,000	365	65,52,000
3	31-Mar-2020	Closing Balance of outstanding equity shares	1,31,04,000	-	1,31,04,000

Calculation of Restated Weighted Average Equity Shares for 2018-19:

Sr. No.	Date	Particulars	No. of shares	No of days share were outstanding	Weighted Average No of Equity Shares
1	1-Apr-2018	Opening balance of outstanding equity shares	25,00,000	365	25,00,000
2	25-Sep-2018	Right Issue of Equity Shares	23,00,000	188	11,84,658
3	10-Jan-2019	Initial Public Offering of Equity Shares	17,52,000	81	3,88,800
4	31-Mar-2019	Closing balance of equity shares	65,52,000	-	40,73,458
5	27-Dec-2019	Bonus issue for 2019-20	65,52,000	365	65,52,000
6	-	Restated Weighted Average Shares			1,06,25,458

### 3.28. Impairment of Assets

Pursuant to "AS-28 Impairment of Assets" issued by the Central Government under the Companies (Accounting Standard) Rules 2006 for determining Impairment in the Carrying amount of fixed assets, the management has concluded that since recoverable amount of fixed Assets is not less than its carrying amount, therefore no provision is required for impairment in respect of fixed Assets owned by the Company.

### 3.29. Micro Small and Medium Enterprises (MSME)

The Micro Small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006 have been taken based on the list of MSME creditors. However, as the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

The company has dispatch letter by post/email for asking MSME Registration of Vendors. The vendors that confirmed MSME Registration have been classified in the category of MSME Creditors and those who failed to confirm have been classified under Non-MSME Creditors.

**3.30. Deferred Tax Assets/Liability**

The component of Deferred Tax Assets/Liability provided as on March 31st, 2020, is as under:

Amount in ₹

Particulars	As at 31st Mar 20	As at 31st Mar 19
Opening Deferred Tax Assets/ (Liability)	6,71,204	4,14,553
Add/(Less): Deferred Tax Assets/(Liability) created during the year	2,41,918	2,56,651
Closing Net Deferred Tax Assets/ (Liability)	9,13,122	6,71,204

\*The Company has recognized deferred tax asset on Depreciation as per books and depreciation allowable as per Income Tax Act 1961.

**3.31. Retirement Benefits**

Disclosure Requirement as per AS-15 (Revised 2005) "Employee Benefits" notified under Section 133 of the Companies Act, 2013

a) Defined Contribution Plan (Provident Fund) included in Employee Benefit Expenses during Current Year is ₹ 2,73,839

b) Defined Benefit Plan: -

The Payment of Gratuity Act, 1972 is only applicable to employees who have at least completed 5 full years of the service with the current employer. No employee have completed five full years of service before or during 2019-20 and hence no gratuity provision is required to be created during the year.

**3.32. Related Party Transactions**

As per AS 18 on "Related Party Disclosure" issued by the Institute of Chartered Accountant of India the disclosure of transactions with related party is as under:

Party	Relation	Transaction	Amount (in Rs.)
Kushal Patel	Director	Remuneration	24,00,000
Kushal Patel	Director	Loan Accepted	4,83,302
Kushal Patel	Director	Loan Repaid	9,63,764
Nitin Patel	Director	Loan Accepted	40,55,814
Nitin Patel	Director	Loan Repaid	48,30,417
Nitin Patel	Director	Remuneration	24,00,000
Amit Patel	Director	Loan Accepted	25,08,819
Amit Patel	Director	Loan Repaid	15,26,599
Amit Patel	Director	Remuneration	24,00,000
Aditya Oil Industries	Directors partner of firm	Purchase of Raw Material	11,20,74,632
Aditya Oil Industries	Directors partner of firm	Sale of product	19,41,66,537
Axita Exports Private Limited	Common Directors	Purchase of Raw Materials	12,15,58,986
Axita Exports Private Limited	Common Directors	Sale of Products	45,05,91,700
Aditya Oil Industries Limited	Common Directors	Purchase of Raw Materials	4,91,46,491
Aditya Oil Industries Limited	Common Directors	Sale of Products	2,60,56,861
Shreenathji Enterprise	Relative of KMP	Purchase of Raw Materials	56,17,49,114
Shreenathji Enterprise	Relative of KMP	Sale of Products	6,88,85,200
Geetaben Patel	Relative of KMP	Remuneration	7,20,000
Pooja Patel	Relative of KMP	Remuneration	6,40,000
Riya Shah	Relative of KMP	Remuneration	3,00,000

**3.33. Pending Litigations**

There were no Pending Litigations and Criminal Proceedings against the company as on the Balance Sheet Date except for the following:

□ **Outstanding Refunds from GST Department: -**

A refund of has been claimed from the GST Department amounting to ₹ 5,50,93,543 (IGST, CGST and SGST) relating to F.Y. 2019-20.

**3.34. Impact of COVID 19 pandemic**

Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of all its assets & revenue recognized. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

**3.35. Foreign Exchange Earnings & Expenditure:****iii.) Details of Foreign Exchange Earnings:**

(Amount in ₹)

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2018-19
1.	Foreign Exchange Earnings*	236,33,36,140.00	58,82,32,595.00

**iv.) Details of Foreign Exchange Expenditure:**

(Amount in ₹)

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2018-19
1.	Foreign Exchange Outgo	7,46,08,037.00	3,64,40,374.00

\*Amount derived based on export of the Company.

As per our report of even date  
For Mistry & Shah LLP  
Chartered Accountants  
FRN: 122702W

For and on Behalf of the Board  
Axita Cotton Limited

Kushal Patel  
Managing Director  
DIN: 06626639

Amit Patel  
Whole Time Director  
DIN: 06626585

Malav Shah  
Partner  
M.NO. 117101  
Place: Ahmedabad  
Date 28/07/2020

Jayesabhai Thakor  
CFO  
Place: Kadi, Mehsana  
Date: 28/07/2020

Deepak Chaubisa  
CS (M. No.: A45536)



## NOTICE OF 7TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 7th (Seventh) Annual General Meeting (AGM) of the Members of Axita Cotton Limited ("the Company") will be held on Monday, September 28 2020 at 03:15 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses-

### **Ordinary Businesses:-**

#### **1. Adoption of Financial Statements:**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2020, together with the Reports of Board of Directors and the Auditor thereon.

#### **2. Appointment of Mr. Kushal Nitinbhai Patel (DIN: 06626639) as director liable to retire by rotation:**

To appoint a Director in place of Mr. Kushal Nitinbhai Patel (DIN: 06626639) who retires by rotation and being eligible seeks re-appointment.

Explanation: Based on the terms of appointment executive directors and the non-executive are subject to retirement by rotation. Mr. Kushal Nitinbhai Patel (DIN: 06626639) who was appointed as Managing Director for the current term and is the longest-serving member on the Board retires by rotation and being eligible seeks re-appointment.

To the extent that Mr. Kushal Nitinbhai Patel (DIN: 06626639) is required to retire by rotation he would need to be reappointed as such. Therefore shareholders are requested to consider and if thought fit to pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013 the approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Kushal Nitinbhai Patel (DIN: 06626639) as such to the extent that he is required to retire by rotation."

### **Special Businesses:**

#### **3. Appointment of Mrs. Pinaben Bharatkumar Patel (DIN: 08776983) as an Independent Director of the Company.**

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 149, 152, 160, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of articles of association of the Company, Mrs. Pinaben Bharatkumar Patel (DIN: 08776983) who was appointed as an Additional Director with effect from June 30, 2020 by the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee and who in terms of Section 161 of the Companies Act, 2013 holds office up to date of this Annual General Meeting or the last date on which the Annual General Meeting (AGM) for Financial Year 2019-20 should have been held, whichever is earlier and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director on the Board of Directors of the Company for a period of 5 (Five) consecutive years upto September 27, 2025, be and is hereby appointed as an Independent Director of the Company and shall not be liable to retire by rotation.

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

#### **4. Approval of the Material Related Party Transactions with Axita Exports Private Limited:**

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 188 of the Companies Act 2013 ("Act") and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Axita Exports Private Limited, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Sale of Raw Material and Sale of Products on such terms and conditions as the Board of Directors may deem fit up to a maximum aggregate value of ₹ 200 Crore for the financial year 2020-21 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors (including a Committee thereof) be and is hereby authorized to negotiate and finalize other terms and conditions and to do all such acts deeds matters and things and to execute or authorize any person to execute all such documents instruments and writings as may be considered necessary relevant usual customary and/or expedient to give effect to this resolution."

#### **5. Approval of the Material Related Party Transactions with Aditya Oil Industries Limited:**

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 188 of the Companies Act 2013 ("Act") and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Aditya Oil Industries Limited, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Sale of Raw Material and Sale of Products on such terms and conditions as the Board of Directors may deem fit up to a maximum aggregate value of ₹ 200 Crore for the financial year 2020-21 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors (including a Committee thereof) be and is hereby authorized to negotiate and finalize other terms and conditions and to do all such acts deeds matters and things and to execute or authorize any person to execute all such documents instruments and writings as may be considered necessary relevant usual customary and/or expedient to give effect to this resolution."

#### **6. Approval of the Material Related Party Transactions with Shreenathji Enterprise:**

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 188 of the Companies Act 2013 (“Act”) and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Shreenathji Enterprise, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Sale of Raw Material and Sale of Products on such terms and conditions as the Board of Directors may deem fit up to a maximum aggregate value of ₹ 200 Crore for the financial year 2020-21 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors (including a Committee thereof) be and is hereby authorized to negotiate and finalize other terms and conditions and to do all such acts deeds matters and things and to execute or authorize any person to execute all such documents instruments and writings as may be considered necessary relevant usual customary and/or expedient to give effect to this resolution.”

**7. To Advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken/to be taken by Axita Exports Private Limited under Section 185 of the Companies Act, 2013:**

To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Section 185 [as substituted by Section 61 of the Companies (Amendment) Act, 2017] and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and Rules made thereunder and all other applicable provisions, if any for the time being in force and subject to all requisite approvals, sanction and permission as may be necessary in this regard, and in furtherance to the existing loan(s) or guarantee(s) or security(ies) in connection with loans given, the consent of the Members of the Company, be and is hereby accorded to making any loan(s) including any loan represented by a book debt or giving any guarantee(s) or providing any security(ies) in connection with any loan taken/to be taken by Axita Exports Private Limited (any person in whom any of the Directors of the Company is interested with the scope of Explanation to Section 185(2) of the Companies Act, 2013) and as further disclosed in the Explanatory statement attached to the Notice in respect of this item of business, up to overall maximum outstanding amount not exceeding of ₹ 25 crores ( Rupees Twenty Five Crores only), provided that such amount are utilized by the borrowing company for its principal business activities.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as **“the Board”**, which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalise and agree the terms and conditions of the aforesaid loan/guarantee/security, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may thing fit and suitable.”

**8. To Advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken/to be taken by Aditya Oil Industries Limited under Section 185 of the Companies Act, 2013:**

To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Section 185 [as substituted by Section 61 of the Companies (Amendment) Act, 2017] and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and Rules made thereunder and all other applicable provisions, if any for the time being in force and subject to all requisite approvals, sanction and permission as may be necessary in this regard, and in furtherance to the existing loan(s) or guarantee(s) or security(ies) in connection with loans given, the consent of the Members of the Company, be and is hereby accorded to making any loan(s) including any loan represented by a book debt or giving any guarantee(s) or providing any security(ies) in connection with any loan taken/to be taken by Aditya Oil Industries Limited (any person in whom any of the Directors of the Company is interested with the scope of Explanation to Section 185(2) of the Companies Act, 2013) and as further disclosed in the Explanatory statement attached to the Notice in respect of this item of business, up to overall maximum outstanding amount not exceeding of ₹ 25 crores ( Rupees Twenty Five Crores only), provided that such amount are utilized by the borrowing company for its principal business activities.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as **“the Board”**, which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalise and agree the terms and conditions of the aforesaid loan/guarantee/security, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may thing fit and suitable.”

**Registered office:**  
Servey No. 324 357 358,  
Kadi Thol Road, Borisana Kadi,  
Mahesana - 382715 Gujarat

For and on behalf of Board of Directors  
**Axita Cotton Limited**  
CIN: L17200GJ2013PLC076059

**Date:** August 27, 2020  
**Place:** Kadi Mahesana

**Kushal Nitinbhai Patel**  
**Managing Director**  
**DIN 06626639**

**IMPORTANT NOTES**

1. In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 22/2020 dated June 15, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 7<sup>th</sup> Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 13 and available at the Company’s website [www.axitacotton.com](http://www.axitacotton.com). The deemed venue for the AGM shall be the Registered Office of the Company.

2. Information regarding appointment/re-appointment of Director(s) and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard II is annexed hereto.
3. Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to krishivadvisory@gmail.com with copies marked to the Company at cs@axitacotton.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.co.in.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.axitacotton.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.
8. Those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted, by following the procedure given below:
  - (a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@axitacotton.com
  - (b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@axitacotton.com
  - (c) Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be.

It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083, Maharashtra, , E-Mail ID : rnt.helpdesk@linkintime.co.in by following the due procedure.

- (d) Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
9. It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions or registered themselves as Speaker, are requested to write to the Company mentioning their name demat account number/folio number, email id, mobile number at cs@axitacotton.com on or before September 21, 2020 so as to enable the management to keep the information ready. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
13. **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:**
  - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
  - ii. There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Monday, September 21, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
  - iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, September 21, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

- iv. The remote e-voting will commence on 9:00 A.M. on Friday, September 25, 2020 and will end on 5:00 P.M. on Sunday, September 27, 2020. During this period, the members of the Company holding shares as on the Cut-off date i.e. Monday, September 21, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
- v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Monday, September 21, 2020.
- vii. The Company has appointed CS Anand S Lavingia, Practicing Company Secretary (Membership No. ACS: 26458; CP No: 11410), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

**INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING**

The remote e-voting period begins on 9:00 A.M. on Friday, September 25, 2020 and will end on 5:00 P.M. on Sunday, September 27, 2020. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1. Log-in to NSDL e-Voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**

**Step 2. Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**
**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cs@axitacotton.com](mailto:cs@axitacotton.com) mentioning your demat account number/folio number, your PAN, your name and your registered address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to [krishivadvisory@gmail.com](mailto:krishivadvisory@gmail.com) with copies marked to the Company at [cs@axitacotton.com](mailto:cs@axitacotton.com) and to National Securities Depository Limited (NSDL) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**CONTACT DETAILS**

Company	<b>Axita Cotton Limited</b> Servey No. 324 357 358 Kadi Thol Road Borisana Kadi, Mahesana- 382715, Gujarat. <b>Tel No. 6358747514</b> <b>E-Mail ID: <a href="mailto:cs@axitacotton.com">cs@axitacotton.com</a></b> <b>Website : <a href="http://www.axitacotton.com">www.axitacotton.com</a></b>
Registrar and Transfer Agent	<b>Link Intime India Private Limited</b> Ltd, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg Vikhroli (West), Mumbai- 400083 Maharashtra <b>E-Mail ID : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></b> <b>Contact No. : 022 - 49186200</b>
e-Voting Agency& VC / OAVM	<b>Email:<a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a></b> <b>NSDL help desk 1800-222-990</b>
Scrutinizer	<b>Mr. Anand S Lavingia</b> <b>Email:<a href="mailto:krishivadvisory@gmail.com">krishivadvisory@gmail.com</a>; Tel No.: +91 79 - 4005 1702</b>

**INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@axitacotton.com](mailto:cs@axitacotton.com). The same will be replied by the company suitably.

**EXPLANATORY STATEMENT**

(Pursuant to Section 102 (1) of the Companies Act 2013 and Secretarial Standard 2 on General Meetings)

**Item No. 3: Appointment of Mrs. Pinaben Bharatkumar Patel (DIN: 08776983) as an Independent Director of the Company:**

Mrs. Pinaben Bharatkumar Patel was appointed by the Board of Directors as an Additional Director with effect from June 30, 2020. As per the provisions contained under Section 161 of the Companies Act, 2013, the "Additional Director" so appointed shall hold office upto the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Mrs. Pinaben Bharatkumar Patel, as an Additional Director, holds office upto the date of this 7<sup>th</sup> (Seventh) Annual General Meeting (AGM).

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of director at any General Meeting, if he/she or some other member intending to propose him/her as a Director has, not less than fourteen days before the meeting, left at the Registered Office of the Company, a notice in writing under his/her hand signifying his/her candidature as a Director, or the intention of such member to propose him/her as a candidate for that office, as the case may be, along with deposit of one lakh rupees. However, as per the proviso of sub-section (1) to Section 160 which is made effective from February 09, 2018 the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Mrs. Pinaben Bharatkumar Patel appointment is also going to be as an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, Company has received a notice from a member accordingly candidature of Mrs. Pinaben Bharatkumar Patel for the office of Director in terms of Section 160 of the Companies Act, 2013. Mrs. Pinaben Bharatkumar Patel has also given a declaration to the Company that she meets criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. She does not hold any shares of Axita Cotton Limited.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested in the resolution item No. 3 of this Notice.

The Board recommends the Ordinary Resolution as set out at item no. 3 for approval by the Members.

**Item No. 4: Approval of the Material Related Party Transactions with Axita Exports Private Limited:**

Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder provided that any related party transaction will require prior approval of shareholders through ordinary resolution if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Axita Exports Private Limited is related parties with reference to the Company within the meaning of Clause (76) of section 2 of the Companies Act 2013.

The value of proposed aggregate transactions with Axita Exports Private Limited is likely to exceed the said threshold limit during the financial year 2020-21.

Accordingly transaction(s) entered with Axita Exports Private Limited comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder.

Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Axita Exports Private Limited in the financial year 2020-21.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arm's length basis the same is being sought as an abundant precautionary measure.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014 as amended till date particulars of the transactions with Axita Exports Private Limited are as follows:

Sl.	Particulars	Remarks
1.	Name of Related Parties	Axita Exports Private Limited
2.	Name of the Director or KMP who is related	Mr. Kushal Nitinbhai Patel & Mr. Nitinbhai Govindbhai Patel

3.	<b>Nature of Relationship</b>	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited as well as Axita Exports Private Limited. Mr. Kushal Nitinbhai Patel holds 3997048 number of Equity Shares (Majority Stake) in Axita Cotton Limited and holds 152000 number of Equity Shares (Majority Stake) in Axita Exports Private Limited.  Mr. Nitinbhai Govindbhai Patel is Promoter & Chairman cum Managing Director of Axita Cotton Limited and Promoter & Managing Director in Axita Exports Private Limited. Mr. Nitinbhai Govindbhai Patel holds 3571000 number of Equity Shares in Axita Cotton Limited and holds 98000 number of Equity Shares in Axita Exports Private Limited.
4.	<b>Monetary Value</b>	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed Rs. 200 Crores in the F.Y. 2020-21 with Axita Exports Private Limited.
5.	<b>Nature materials terms and particulars of the Contracts/ arrangements/</b>	Purchase and Sale of Products and Raw Materials and these are dependent on the requirement of both companies for its products and raw materials from time to time and the ability to supply. However such transactions would be in ordinary course of the Company's business and at the arm's length basis.
6.	<b>Any advance paid or received for the contracts/ arrangements</b>	As per industry norms customs and usages.
7.	<b>Tenure of contracts /arrangement</b>	F.Y. 2020-21
8.	<b>Any other information relevant or important for the members to take a decision on the proposed resolution.</b>	Nil

Except Mr. Kushal Nitinbhai Patel & Mr. Nitinbhai Govindbhai Patel, their relatives and entire Promoters' Group, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution.

**Since, entire Promoters and Promoters' Group may construe as Related Party to this transaction, all entities falling under the definition of Promoters and Promoters' Group of the Company shall abstain from voting for this resolution.**

The Board of Directors recommends passing of the resolution as set out item no. 4 of this Notice as Ordinary Resolution.

**Item No. 5: Approval of the Material Related Party Transactions with Aditya Oil Industries Limited:**

Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder provided that any related party transaction will require prior approval of shareholders through ordinary resolution if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Aditya Oil Industries Limited is related parties with reference to the Company within the meaning of Clause (76) of section 2 of the Companies Act 2013.

The value of proposed aggregate transactions with Aditya Oil Industries Limited is likely to exceed the said threshold limit during the financial year 2020-21.

Accordingly transaction(s) entered with Aditya Oil Industries Limited comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder.

Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Aditya Oil Industries Limited in the financial year 2020-21.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arm's length basis the same is being sought as an abundant precautionary measure.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014 as amended till date particulars of the transactions with Aditya Oil Industries Limited are as follows:

Sl.	Particulars	Remarks
1.	<b>Name of Related Parties</b>	Aditya Oil Industries Limited
2.	<b>Name of the Director or KMP who is related</b>	Mr. Kushal Nitinbhai Patel & Mr. Nitinbhai Govindbhai Patel & Mr. Amitkumar Govindbhai Patel
3.	<b>Nature of Relationship</b>	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited and promoter & director of Aditya Oil Industries Limited. Mr. Kushal Nitinbhai Patel holds 3997048 number of Equity Shares (Majority Stake) in Axita Cotton Limited and holds 900000 number of Equity Shares in Aditya Oil Industries Limited.  Mr. Nitinbhai Govindbhai Patel is Promoter & Chairman cum Managing Director of Axita Cotton Limited and Promoter & Director of Aditya Oil Industries Limited. Mr. Nitinbhai Govindbhai Patel holds 3571000 number of Equity Shares in Axita Cotton Limited and holds 900000 number of Equity Shares in Aditya Oil Industries Limited.  Mr. Amitkumar Govindbhai Patel is promoter & whole-time director of Axita Cotton Limited and promoter & director of Aditya Oil Industries Limited. Mr. Amitkumar Govindbhai Patel holds 1424400 number of Equity Shares in Axita Cotton Limited and holds 1196000 number of Equity Shares in Aditya Oil Industries Limited.



4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed Rs. 200 Crores in the F.Y. 2020-21 with Aditya Oil Industries Limited.
5.	Nature materials terms and particulars of the Contracts/ arrangements/	Purchase and Sale of Products and Raw Materials and these are dependent on the requirement of both for its products and raw materials from time to time and the ability to supply. However such transactions would be in ordinary course of the Company's business and at the arm's length basis.
6.	Any advance paid or received for the contracts/ arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/ arrangement	F.Y. 2020-21
8.	Any other information relevant or important for the members to take a decision on the proposed resolution.	Nil

Except Mr. Kushal Nitinbhai Patel, Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel and their relatives and entire Promoters' Group, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution.

***Since, entire Promoters and Promoters' Group may construe as Related Party to this transaction, all entities falling under the definition of Promoters and Promoters' Group of the Company shall abstain from voting for this resolution.***

The Board of Directors recommends passing of the resolution as set out item no. 5 of this Notice as Ordinary Resolution.

**Item No. 6: Approval of the Material Related Party Transactions with Shreenathji Enterprise:**

Section 188 of the Companies Act 2013 and the applicable Rules framed thereunder provided that any related party transaction will require prior approval of shareholders through ordinary resolution if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Shreenathji Enterprise is related parties with reference to the Company within the meaning of Clause (76) of section 2 of the Companies Act 2013.

The value of proposed aggregate transactions with Shreenathji Enterprise is likely to exceed the said threshold limit during the financial year 2020-21.

Accordingly transaction(s) entered with Shreenathji Enterprise comes within the meaning of Related Party Transaction(s) in terms of provisions of the Act applicable rules framed thereunder.

Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Shreenathji Enterprise in the financial year 2020-21.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arm's length basis the same is being sought as an abundant precautionary measure.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules 2014 as amended till date particulars of the transactions with Shreenathji Enterprise are as follows:

Sl.	Particulars	Remarks
1.	Name of Related Parties	Shreenathji Enterprise (Sole Proprietor of Mrs. Geetaben Nitinbhai Patel)
2.	Name of the Director or KMP who is related	Mr. Kushal Nitinbhai Patel & Mr. Nitinbhai Govindbhai Patel & Mr. Amitkumar Govindbhai Patel
3.	Nature of Relationship	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited and Mrs. Geetaben Nintinbhai Patel is his mother. Mr. Kushal Nitinbhai Patel holds 3997048 number of Equity Shares (Majority Stake) in Axita Cotton Limited. Mr. Nitinbhai Govindbhai Patel is Promoter & Chairman cum Managing Director of Axita Cotton Limited and Mrs. Geetaben Nitinbhai Patel is his wife. Mr. Nitinbhai Govindbhai Patel holds 3571000 number of Equity Shares in Axita Cotton Limited. Mr. Amitkumar Govindbhai Patel is promoter & whole-time director of Axita Cotton Limited and Mrs. Geetaben Nitinbhai Patel is his brother's wife. Mr. Amitkumar Govindbhai Patel holds 1424400 number of Equity Shares in Axita Cotton Limited.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed Rs. 200 Crores in the F.Y. 2020-21 with Shreenathji Enterprise
5.	Nature materials terms and particulars of the Contracts/ arrangements/	Purchase and Sale of Products and Raw Materials and these are dependent on the requirement of both for its products and raw materials from time to time and the ability to supply. However such transactions would be in ordinary course of the Company's business and at the arm's length basis.
6.	Any advance paid or received for the contracts/	As per industry norms customs and usages.

	arrangements	
7.	Tenure of contracts/ arrangement	F.Y. 2020-21
8.	Any other information relevant or important for the members to take a decision on the proposed resolution.	Nil

Except Mr. Kushal Nitinbhai Patel, Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel and their relatives and entire Promoters' Group, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution.

**Since, entire Promoters and Promoters' Group may construe as Related Party to this transaction, all entities falling under the definition of Promoters and Promoters' Group of the Company shall abstain from voting for this resolution.**

The Board of Directors recommends passing of the resolution as set out item no. 6 of this Notice as Ordinary Resolution.

**Item No. 7: To Advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken/to be taken by Axita Exports Private Limited under Section 185 of the Companies Act, 2013:**

In order to ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on May 07, 2018.

As per the provisions of Section 185 (1) of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by- (a) any director of company, or of a company which is its holding company or any partner or relative of any such director; or b) any firm in which any such director or relative is a partner.

Pursuant to Section 185(2) of the Companies Act, 2013, A company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that— (a) a special resolution is passed by the company in general meeting and (b) the loans are utilised by the borrowing company for its principal business activities.

Your Company may advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by following person/entity in whom any of the Director/s of the Company is/are interested as follows:

Sr. No.	Name of person/entity	Full Particulars of Loan/Guarantee given or security provided	Purpose utilization by the recipient	Name of the Directors interested	Relation
1.	Axita Exports Private Limited	Providing of Corporate Guarantee/Security to various Bankers/Lenders of Axita Exports Private Limited in connection with various facilities available by Axita Exports Private Limited on terms and conditions agreed with respective Bankers/Lenders to secure obligation of Axita Exports Private Limited in respect of such borrowings.  Loan payable on demand or term not exceeding 10 years with interest not less than current yield of government security of nearest tenure.  Aggregate amount of loans/guarantees given/to be given or Securities provided/to be provided shall not exceed an amount of ₹ 25 Crores.	Procurement of Plant & Machineries, General Corporate purpose including working capital requirements, purchase and sale of goods or raw materials/services, Fixed Assets or capital expenditure.	Mr. Nitinbhai Govindbhai Patel  Mr. Kushal Nitinbhai Patel	Director and Member  Director and Member

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of Such Entities.

The Board of Directors recommends resolution as set out in item no. 7 for approval of the members of the Company by way of passing a Special Resolution.

Except Mr. Kushal Nitinbhai Patel, Mr. Nitinbhai Govindbhai Patel and their relatives and entire Promoters' Group, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution.

Since, entire Promoters and Promoters' Group may construe as Related Party to this transaction, all entities falling under the definition of Promoters and Promoters' Group of the Company shall abstain from voting for this resolution.

**Item No. 8: To Advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken/to be taken by Aditya Oil Industries Limited under Section 185 of the Companies Act, 2013:**

In order to ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on May 07, 2018.

As per the provisions of Section 185 (1) of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt to, or give any guarantee or provide any security in connection with any loan taken by- (a) any director of company, or of a company which is its holding company or any partner or relative of any such director; or b) any firm in which any such director or relative is a partner.

Pursuant to Section 185(2) of the Companies Act, 2013, A company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to the condition that– (a) a special resolution is passed by the company in general meeting and (b) the loans are utilised by the borrowing company for its principal business activities.

Your Company may advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by following person/entity in whom any of the Director/s of the Company is/are interested as follows:

Sr. No.	Name of person/entity	Full Particulars of Loan/Guarantee given or security provided	Purpose of utilization by the recipient	Name of the Directors interested	Relation
1.	Aditya Oil Industries Limited	<p>Providing of Corporate Guarantee/Security to various Bankers/Lenders of Aditya Oil Industries Limited in connection with various facilities available by Aditya Oil Industries Limited on terms and conditions agreed with respective Bankers/Lenders to secure obligation of Aditya Oil Industries Limited in respect of such borrowings.</p> <p>Loan payable on demand or term not exceeding 10 years with interest not less than current yield of government security of nearest tenure.</p> <p>Aggregate amount of loans/guarantees given/to be given or Securities provided/to be provided shall not exceed an amount of ₹ 25 Crores.</p>	Procurement of Plant & Machineries, General Corporate purpose including working capital requirements, purchase and sale of goods or raw materials/services, Fixed Assets or capital expenditure.	<p>Mr. Nitinbhai Govindbhai Patel</p> <p>Mr. Kushal Nitinbhai Patel</p> <p>Mr. Amitkumar Govindbhai Patel</p>	<p>Director and Member</p> <p>Director and Member</p> <p>Director and Member</p>

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of Such Entities.

The Board of Directors recommends resolution as set out in item no. 8 for approval of the members of the Company by way of passing a Special Resolution.

Except Mr. Kushal Nitinbhai Patel, Mr. Nitinbhai Govindbhai Patel and Mr. Amitkumar Govindbhai Patel and their relatives and entire Promoters' Group, none of other Director(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution.

Since, entire Promoters and Promoters' Group may construe as Related Party to this transaction, all entities falling under the definition of Promoters and Promoters' Group of the Company shall abstain from voting for this resolution.

**Registered office:**

Servey No. 324 357 358,  
Kadi Thol Road, Borisana Kadi,  
Mahesana - 382715 Gujarat

For and on behalf of Board of Directors

**Axita Cotton Limited**

CIN: L17200GJ2013PLC076059

**Date:** August 27, 2020

**Place:** Kadi Mahesana

**Kushal Nitinbhai Patel**

**Managing Director**

**DIN 06626639**

Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI for Item No. 2 and 3:

<b>Name of Director</b>	Kushal Nitinbhai Patel (DIN 06626639)	Pinaben Bharatkumar Patel (DIN: 08776983)
<b>Date of Birth</b>	November 27, 1988	February 13, 1967
<b>Date of Initial Appointment</b>	July 16, 2013	June 30, 2020
<b>Date of Appointment (at current term)</b>	October 16, 2018	June 30, 2020
<b>Educational Qualifications</b>	holds Degree of Bachelor of Pharmacy from Gujarat University.	12 <sup>th</sup> Passed in Arts
<b>Terms &amp; Conditions</b>	Appointment for a fresh term of 5 (Five) Years with effect from October 16, 2018.  Liable to retire by rotation.	Appointment with effect from June 30, 2020.  Hold office upto the date of the 7 <sup>th</sup> (Seventh) Annual General Meeting (AGM).  Not liable to retire by rotation.
<b>Remuneration Last Drawn</b>	₹ 24,00,000.00 per annum in the financial year 2019-20.	Not Applicable
<b>Expertise in specific functional areas - Job profile and suitability</b>	Experience of More than 9 years in the family business with respect to production, planning, and sales.	3 years' experience in Chemical Industry
<b>Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)</b>	Axita Exports Private Limited Aditya Oil Industries Limited	Nil
<b>Memberships / Chairmanships of committees of other public companies**</b>	Membership-Nil Chairmanship-Nil	1- Member of Nomination and Remuneration Committee of Axita Cotton Limited  Nil- Membership/Chairmanships of committee of other public companies
<b>Shareholding in the Company:</b>	3997048 Number of Equity Shares	Nil
<b>Inter-se Relationship with other Directors.</b>	With Directors & KMP of the Company: Son of our Promoter, Chairman cum Managing Director Mr. Nitinbhai Govindbhai Patel Nephew of our Promoter cum Whole-Time Director Mr. Amitbhai Govindbhai Patel	Not related to any directors & KMP of the Company