



Axita Cotton Limited

Mfg. & Exporter of Cotton

ISO 9001:2015
CERTIFIED

CIN No. : L17200GJ2013PLC076059
GST IN : 24AALCA8092L1Z6
PAN : AALCA8092L

Reg. Office : Servey No. 324, 357, 358, Kadi Thol Road, Borisana Kadi,
Mahesana-382715. Gujarat. India

Tele : +91 6358747514 | E-mail : cs@axitacotton.com | Website : www.axitacotton.com

Date: 03/09/2022

To,
The General Manager-Market Operations
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001.

Ref.: Security Code: 542285

To,
The General Manager-Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E), Mumbai-
400 051

Ref.: Symbol: AXITA

Ref: Axita Cotton Limited (Security Code/Security Id: 542285/ AXITA)

Sub.: Annual Report – Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Mam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of Annual Report of the Company for the financial year 2021-22.

The Annual Report for the financial year 2021-22 is also uploaded on the Company's website at www.axitacotton.com

Kindly take the same on your records.

Thanking you,

Yours faithfully

For, Axita Cotton Limited

PATEL

NITINKUMAR

R

Digitally signed by

PATEL NITINKUMAR

Date: 2022.09.03

21:31:14 +05'30'

Nitinbhai Govindbhai Patel

Chairman Cum Managing Director

Din: 06626646

Encl.: Annual Report for the financial year 20201-22



Axita Cotton Limited
Annual Report
2021-2022



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Corporate Information

Board Of Directors:

Mr. Nitinbhai Govindbhai Patel
Chairman cum Managing Director

Mr. Kushal Nitinbhai Patel
Managing Director

Mr. Amitkumar Govindbhai Patel
Whole-Time Director (Upto June 21, 2021)

Mrs. Gitaben Nitinbhai Patel
Whole-Time Director (Upto August 22, 2022)

Mr. Dhruven Shaileshbhai Patel
Independent Director (Upto February 22, 2022)

Mr. Rakesh Mahendrakumar Patel
Independent Director (Upto September 02, 2021)

Mrs. Pinaben Bharatkumar Patel
Independent Director (Upto June 30, 2022)

Mr. Kunjal Jayantkumar Soni
Independent Director (W.e.f. February 22, 2022)

Mr. Vinod Kanubhai Rana
Independent Director (W.e.f. February 22, 2022)

Ms. Apeksha Sanjaykumar Vyas
Additional Independent Director (W.e.f. June 30, 2022)

Mr. Dixit Dipakkumar Shah
Additional Independent Director (W.e.f. August 22, 2022)

Key Managerial Personnel

Mr. Jayesabhai Chandubhai Thakor - CFO
(Upto September 02, 2021)

Mr. Harsh Kalpeshbhai Shah - CFO
(W.e.f. September 03, 2021)

Mr. Deepakkumar Kushalchandra Chaubisa
Company Secretary

Audit Committee

Mr. Kunjal Jayantkumar Soni
Chairperson

Ms. Apeksha Vyas
Member

Mr. Vinod Rana
Member

Stakeholder's Relationship Committee

Mr. Vinod Kanubhai Rana
Chairperson

Ms. Apeksha Vyas
Member

Mr. Kunjal Jayantkumar Soni
Member

Nomination & Remuneration Committee

Mr. Kunjal Jayantkumar Soni
Chairperson

Ms. Apeksha Vyas
Member

Mr. Vinod Kanubhai Rana
Member

Corporate Social Responsibility Committee

Mr. Kushal Nitinbhai Patel
Chairperson

Nitinbhai Govindbhai Patel
Member

Mr. Vinod Kanubhai Rana
Member

 **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;

 **Statutory Auditor**

Mistry & Shah LLP
Chartered Accountant
8-10, Bhavani Chambers, Nr.
Times of India, Ashram Road,
Navarangpura, Ahmedabad -
380009
Mail ID: info@mistryandshah.com

 **Internal Auditor**

Mr. Harsh Alpeshkumar Desai,
Chartered Accountant
A-22, New Mrudual Park Part-1,
Sola Road, Ahmedabad-380061
Mail
ID: desaiharsh543@gmail.com

 **Secretarial Auditor**

M/s. SCS And CO. LLP
Practicing Company Secretaries,
415-416, Pushpam Complex,
Opp. Seema Hall, Anandnagar
Road, Satellite, Ahmedabad -
380015
Mail ID: scsandcollp@gmail.com

 **Registrar & Share Transfer Agent**

Link Intime India Private Limited
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

 **Principal Bankers**

Punjab National Bank
ICICI Bank
The Kalapur Commercial Co-op. Bank Limited
Tamilnad Mercantile Bank Limited

 **Company Listed At**

BSE Limited
(BSE Scrip Code: 542285)

The National Stock Exchange of India Limited
(NSE Symbol: AXITA)
(With effect from June 21, 2022)

 **Investor Information**

Website of the Company: www.axitacotton.com
Investor Services Email Id: cs@axitacotton.com
Corporate Identification Number:
L17200GJ2013PLCO76059

Our Presence

Our Company produce superior quality Cotton and organic cotton bales and supply across India and export to the countries such as Bangladesh, Indonesia, Thailand, Vietnam, China.



Our Product Portfolio

COTTON

We are specialized in producing and supplying raw cotton bales and cotton seeds. our cutting-edge technological facilities these rarely available cotton bales have made a place for themselves for their excellence in quality. Further, we also produce and supply Organic Cotton, our organic cotton is produced and processed with the utmost care to maintain high standards of quality. Our cotton bales and organic cotton has strong Market presence in India as well as Bangladesh, Indonesia, Thailand, Vietnam, China. Our core strength is our dedication and commitment to work always for betterment. We never satiate ourselves and always strives for the new ways and means to meet the requirements of our customers and even surpass their expectations.

Cotton Bales

- ✿ SANKAR-6
- ✿ MCU-5
- ✿ V-797
- ✿ DCH-32
- ✿ J-34

Specialised Cotton

- ✿ BCI Cotton
- ✿ Organic Cotton

Cotton Seeds





Our Factory



Chairman Message to Stakeholder . . .



Dear Fellow Share-Owners

At the onset, with great pride and privilege, I present before you all the 9th Annual Report of Axita Cotton Limited for Financial Year 2021-22. We continued to post another good financial year. We are confident of the future growth too.

I am happy to inform you that your Company has been migrated from BSE SME Platform to BSE Mainboard with effect from June 21, 2022 and

direct listing at NSE Mainboard with effect from June 21, 2022.

Our energetic Managing Director, Mr. Kushal Nitinbhai Patel, a big champion of the Axita Cotton Limited having capabilities and intellectual to create value and make a big impact on our clients. When his intuitive understanding of the Indian and Global Market which itself is a reason for making us a leading business Company.

Our Company's priority like Organic Cotton Bales are an integral part of our strategy. We have been taking several actions to help us stay relevant in an increasingly volatile and challenging business environment. We have always strived to grow our business.

The responsibility for the governance of the Company lies with the Board, and Independent Directors oversee crucial process. Our people continue to be our key strength and every member of our workforce played an important part in delivering the business objectives and goals.

I would like to thank you, our shareholders, for your continued support and trust in Axita Cotton Limited.

Nitin Patel
Chairman Cum Managing Director



DIRECTORS' REPORT

DEAR MEMBERS,

The Board of Directors have pleasure in presenting the 9th (Ninth) Annual Report of the Company together with the Audited Financial Statements for the year ended on 31st March, 2022.

FINANCIAL HIGHLIGHTS:

The summary of the financial results for the year and appropriation of divisible profits is given below:

PARTICULARS	(₹ in Lakhs)	
	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
Revenue from Operations	82282.26	61879.29
Other Income	675.36	14.80
Total Income from Operations (Net)	82957.62	61894.09
Earnings Before Interest, Taxes, Depreciation and Amortization Expense	2162.23	917.37
Less: Finance Cost	168.10	329.09
Less: Depreciation and Amortization Expense	49.60	44.23
Profit Before Tax	1944.53	544.05
Less: Tax Expenses		
Current Tax	513.21	140.52
Deferred Tax	(22.51)	30.16
Profit After Taxation	1453.83	373.36

Note: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure and may not be comparable with the figures reported earlier.

OPERATIONAL PERFORMANCE:

During the year under review, the Company recorded Revenue from Operations of ₹ 82,282.26 Lakhs for the F.Y. 2021-22 as compared to ₹ 61,879.29 Lakhs during the previous F.Y. 2020-21.

During the year under review, the Company achieved Earnings before Interest, Taxes, Depreciation and Amortization Expense of ₹ 2,162.23 Lakhs for the F.Y. 2021-22 as compared to ₹ 917.37 Lakhs during the previous F.Y. 2020-21.

During the year under review, the Company achieved Profit after Taxation of ₹ 1,453.83 Lakhs for the F.Y. 2021-22 as compared to ₹ 373.36 Lakhs during the previous F.Y. 2020-21.

Export Sales for the F.Y. 2021-2022 was ₹ 25,245.19 Lakhs as compared to ₹ 41333.57 Lakhs for the F.Y. 2020-2021.

DIVIDEND:

Based on Company's performance the Board of Directors at its meeting held on April 25, 2022 recommended final dividend of ₹ 0.50/- per Equity Share of ₹ 10/- each for the financial year 2021-22 (Previous Year NIL) amounting to ₹ 98.28 Lakhs, subject to the approval of Members at the ensuing Annual General Meeting (AGM) of the Company. In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The dividend, if declared, shall be subject to deduction of income tax at source. Your Company shall, accordingly, make the payment of the final Dividend after deduction of tax at source

TRANSFER TO RESERVES:

During the year, the Company has not apportioned any amount to other reserve. The profit earned during the year has been carried to the balance sheet of the Company.

SHARE CAPITAL:

Authorized Capital:

The Authorised Share Capital of the Company as on March 31, 2022 was ₹ 30,00,00,000 divided into 3,00,00,000 equity shares of ₹ 10/- each.

The Authorised Share Capital of the Company was increased from 14,00,00,000/- to 30,00,00,000/- vide ordinary resolution passed through Postal Ballot of the Company on December 30, 2021. The Authorised Share Capital of the Company was increased for issuance of Bonus Equity Shares.

Issued, Subscribed & Paid-up Capital:

As on March 31, 2022 the Issued, Subscribed and fully Paid-up Capital of the Company stood at ₹ 19,65,60,000/- comprising of 1,96,56,000 Equity Shares of ₹ 10/- each.

The Issued, Subscribed & Paid-up Capital of the Company was increased from ₹ 13,10,40,000/- to ₹ 19,65,60,000/- by way of allotment of 65,52,000 number of Bonus Equity Shares on January 13, 2022.

CHANGES IN CAPITAL STRUCTURE:

As on April 01, 2021 the issued, subscribed and fully paid up capital of the Company stood at ₹ 13,10,40,000/- comprising of 1,31,04,000 equity shares of ₹ 10/- each.

During the year under review there is change in the Capital Structure of the Company due to Issuance of 65,52,000 Bonus Equity Shares. The brief details of the same are as follows:

Issuance of Bonus Equity Shares:

The Board of Directors of the Company passed board resolution on November 27, 2021 for issuance of 65,52,000 number of Bonus Equity Shares of ₹ 10/- each, credited as fully paid-up to the existing holders of the Equity Shares of the Company, whose names appeared on the register of members maintained by the Company/list of beneficial owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on record date in proportion of 1:2 i.e. 1 (One) Bonus Equity Shares of ₹ 10/- each for every 2 (Two) existing fully paid-up Equity Shares of ₹ 10/- each held as on Record Date.

The member of the Company passed ordinary resolution by means of Postal Ballot through remote electronic voting (Remote E-voting) on Thursday, December 30, 2021 for issuance of 65,52,000 number of Bonus Equity Shares of ₹ 10/- each, credited as fully paid-up to the existing holders of the Equity Shares of the Company, whose names appeared on the register of members maintained by the Company/list of beneficial owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on record date in proportion of 1:2 i.e. 1 (One) Bonus Equity Shares of ₹ 10/- each for every 2 (Two) existing fully paid-up Equity Shares of ₹ 10/- each.

The Board of Directors of the Company allotted 65,52,000 of Bonus Equity Shares on January 13, 2022 to the existing shareholders of the Company whose names appeared in the register of members of the Company as on record date i.e. January 12, 2022 in the ratio 1:2 (One Bonus Equity Share of ₹ 10/- each fully paid up for every Two existing Equity Share of ₹ 10/- each fully paid up).

After the allotment of 65,52,000 number of Bonus Equity Shares, the issued, subscribed and fully paid up capital of the Company was increased from ₹ 13,10,40,000/- to ₹ 19,65,60,000/-.

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 objects of the Company.

CHANGE IN THE REGISTERED OFFICE:

During the year, there was no change in address of registered office of the Company. The Registered office of the Company is situated at Servey No. 324 357 358 Kadi Thol Road Borisana Kadi Mahesana-382715, Gujarat, India.

SUBSIDIARIES/ASSOCIATES/ JOINT VENTURES:

The Company does not have subsidiaries, associates and joint ventures companies in the period under review.

PUBLIC DEPOSITS:

During the period under report, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended from time to time).

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

The Company is well supported by the knowledge and experience of its Directors and Executives.

The composition of the Board of Directors as on the date of this report set out below:

Name of Director	Category Cum Designation	Date of Appointment at current Term & designation	Total Directorship ²	No. of Committee ¹		No. of Shares held as on March 31, 2022
				in which Director is Members	in which Director is Chairman	
Mr. Nitinbhai Patel	Chairman cum Managing Director	October 16, 2018	4	-	-	71,86,500
Mr. Kushal Patel	Managing Director	October 16, 2018	4	-	-	59,95,572
Mrs. Gitaben Patel ³	Whole-Time Director	June 22, 2021	1	-	-	6,78,528
Mr. Kunjal Soni ⁴	Independent Director	February 22, 2022	3	4	2	0
Mr. Vinod Rana ⁵	Independent Director	February 22, 2022	1	2	1	0
Ms. Apeksha Vyas ⁶	Additional Independent Director	June 30, 2022	3	5	1	0

¹ Committee includes Audit Committee and Shareholders' Grievances Committee across all Public Companies includes Axita Cotton Limited also.

² Excluding LLPs, Section 8 Company & struck of Companies. Total Directorship includes Axita Cotton Limited also.

³ Mrs. Gitaben Patel was appointed by Board of Directors as an Additional Whole Time Director of the Company with effect from obtaining valid Director Identification Number (DIN) i.e. from June 22, 2021. The Members at their 8th Annual General Meeting (AGM) held on Thursday, September 30, 2021 approved regularisation of Mrs. Gitaben Patel as a Whole-Time Director of the Company for a period of 5 (Five) years w.e.f. June 22, 2021.

⁴ Mr. Kunjal Soni was appointed as an Additional Director w.e.f February 22, 2022. The Members of the Company has been regularisation as an Independent Director for a term of 5 (five) consecutive years with effect from February 22, 2022 and hold office for a term up to February 21, 2027. The Members of the Company passed special resolution through Postal Ballot for appointment (regularisation) of Mr. Kunjal Soni as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from February 22, 2022.

⁵ Mr. Vinod Rana was appointed as an Additional Director w.e.f February 22, 2022. The Members of the Company has been regularisation as an Independent Director for a term of 5 (five) consecutive years with effect from February 22, 2022 and hold office for a term up to February 21, 2027. The Members of the Company passed special resolution through Postal Ballot for appointment (regularisation) of Mr. Vinod Rana as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from February 22, 2022.

⁶ Ms. Apeksha Vyas has been appointed as an Additional Independent Director w.e.f. June 30, 2022.

Pursuant to the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Kushal Nitinbhai Patel, Managing Director of the Company liable to retire by rotation and being eligible, has offered himself for re-appointment.

Brief resume, nature of expertise, details of directorships held in other Companies of the above Director proposed to be reappointed, along with his shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as annexure to the Notice of the 9th Annual General Meeting (AGM).

Your Company namely Axita Cotton Limited has been migrated from BSE SME Platform to BSE Main Board and Direct Listing at NSE Main Board on June 21, 2022.

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 before migration of the Company.

During F.Y. 2021-22, the Board of Directors of the Company comprised of:

- 6 (Six) Directors upto March 31, 2022
- 6 (Six) Directors from April 01, 2022

Out of 6 (Six) Directors on the Board, 3 (three) were Executive Directors and remaining 3 (three) were Independent Directors.

Total Directors upto March 31, 2022:		
Executive Directors:		
1. Nitinbhai Govindbhai Patel (Chairman Cum Managing Director)	Total 3	Percentage (%) 50%
2. Kushal Nitinbhai Patel (Managing Director)		
3. Gitaben Nitinbhai Patel (Whole-Time Director)		
Non-Executive Directors:		
1. Pinaben Bharatkumar Patel (Independent Director)	Total 3	Percentage (%) 50%
2. Kunjal Jayantkumar Soni (Independent Director)		
3. Vinod Kanubhai Rana (Independent Director)		
	6	100%

Thus, composition of the Board is in conformity with Regulation 17 of the Listing Regulations

The Company has received declarations of independence as stipulated under section 149(6) and 149(7) of the Act and regulation 16(1)(b) and 25 of the Listing Regulations from Independent Directors confirming that they are not disqualified for continuing as an Independent Director. There has been no change in the circumstances affecting their status as an Independent Director of the Company.

The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as amended from time to time

The necessary disclosures regarding Committee positions have been made by all the Directors.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and not debarred or disqualified by the SEBI/Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Director of the Company or any other Company where such Director holds such positing in terms of Regulation (10)(i) of Part C of Schedule V of Listing Regulations.

Key Managerial Personnel:

Pursuant to the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the following are the Key Managerial Personnel of the Company:

Key Managerial Personnel List as on that of this report set out below:

Sr. No.	Name	Designation
1.	Mr. Nitinbhai Govindbhai Patel	Chairman Cum Managing Director
2.	Mr. Kushal Nitinbhai Patel	Managing Director
3.	Mrs. Gitaben Nitinbhai Patel* (W.e.f. June 22, 2021)	Whole-Time Director
4.	Mr. Harsh Kalpeshbhai Shah ** (W.e.f. September 03, 2021)	Chief Financial Officer
5.	Mr. Deepakkumar Kushalchandra Chaubisa	Company Secretary & Compliance Officer

* Mrs. Gitaben Nitinbhai Patel has been appointed as a Whole-Time Director with effect from June 22, 2021.

** Mr. Harsh Kalpeshbhai Shah has been appointed as a Chief Financial Officer with effect from September 03, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(3)(c) of the Companies Act, 2013("Act"), in relation to financial statements of the Company for the year ended March 31, 2022, the Board of Directors states that:

- a. in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended March 31, 2022;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts / financial statements have been prepared on a 'going concern' basis;
- e. proper internal financial controls are in place and are operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 (as amended from time to time), is set out herewith as Annexure-D to this report.

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 – C.

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 COMMITMENTS, IF ANY, BETWEEN BALANCE SHEET DATE AND DATE OF DIRECTORS' REPORT

There were no material changes and commitments between the end of the financial year of the Company to which the Financial Statements relates and date of Directors' Report affecting the financial position of the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to the Financial Statements which is a part of this Annual Report.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarize with the Company's Procedures and practices. The Company has through presentations at regular intervals, familiarized and updated the Independent Directors with the strategy, operations and functions of the Company and Agricultural Industry as a Whole and business model. The details of such familiarization programmes imparted to Independent Directors can be accessed on the website of the Company at www.axitacotton.com

RELATED PARTY TRANSACTIONS:

During the F.Y. 2021-2022, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and as per Listing Regulations. The information on transactions with related parties, compiled in Form AOC-2, appears at "[Annexure-B](#)" to this report.

AUDITORS:

a. Statutory Auditors and Auditor's Report

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

The Statutory Auditors' report does not contain any qualification, reservation or adverse remark and is self-explanatory and unmodified and thus does not require any further clarifications / comments. The Statutory Auditors have not reported any incident of fraud committed against the Company by its officers or employees, the details of which would be required to be mentioned in the Directors' Report under Section 143 (12) of the Companies Act, 2013, to the Audit Committee of the Company during the year under review.

b. Cost Auditors

Cost Audit is not applicable to our Company. Hence, there is no need to appoint a Cost Auditor.

c. Secretarial Auditors

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. SCS And CO. LLP, Practicing Company Secretaries, Ahmedabad as Secretarial Auditors of the Company for the F.Y. 2021-2022 to conduct Secretarial Audit and the Secretarial Audit Report in Form MR-3. The Secretarial Audit Report for the financial year 2021-22 is annexed to this report as an Annexure – E. The Secretarial Auditors' report does not contain any qualification, reservation or adverse remark and is self-explanatory and thus does not require any further clarifications / comments.

d. Internal Auditors

Pursuant to provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 Mr. Harsh

Alpeshkumar Desai, Chartered Accountant (Membership No: 600252) was appointed as an Internal Auditor of the Company for Internal Audit of the Company for F.Y. 2021-22.

The Company continued to implement his suggestions and recommendations to improve the control systems. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor's findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has adopted Vigil Mechanism / Whistle Blower Policy, which was approved and adopted by the Board of Directors of the Company. The policy enables the employees to report to the management instances of unethical behaviour actual or suspected fraud or violation of Company's Code of Conduct. This provides for adequate safeguards against victimization of employees and Directors who wish to use the vigil mechanism to bring any wrong deed(s) to the notice of the Company.

During the year under review, the implementation of the vigil mechanism has been properly and regularly monitored by the Audit Committee. 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.

CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to Section 135(1) of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director.

Your Company's Net Profit (Profit before Tax) of ₹ 5,44,04,673/- in the financial year 2020-21, which exceeded the above mentioned threshold limit.

Pursuant to Section 135(1) of the Companies Act, 2013, the Board of Directors of the Company has constituted Corporate Social Responsibility Committee in their Board Meeting held on June 21, 2021 and thereafter reconstituted Corporate Social Responsibility Committee in their Board Meeting held on June 30, 2022.

The Constitution of Corporate Social Responsibility Committee as on the date of this report set out below:

Name of Director	Category	Designation
Mr. Kushal Patel	Managing Director	Chairperson
Mr. Nitin Patel	Chairman Cum Managing Director	Member
Mrs. Vinod Rana	Independent Director	Member

The Corporate Social Responsibility Committee was formulated and recommended to the Board of Directors a Corporate Social Responsibility Policy in their meeting held on September 02, 2021. The Board of Directors has been adopted a Corporate Social Responsibility Policy in their Board Meeting held on September 02, 2021. Pursuant to Rule 9 of the Companies (Accounts) Rules, 2014, the disclosure of contents of Corporate Social Responsibility Policy is annexed as Annexure-G to this report and also placed on www.axitacotton.com.

Pursuant to Section 135(3)(b) of the Companies Act, 2013, The Corporate Social Responsibility Committee recommended total CSR expenditure of ₹ 4,44,574/- for F.Y. 2021-22 to the Board of Directors of the Company. Your Company had spent total amount of ₹ 5,50,000/- for F.Y. 2021-22.

Total Actual Amount to be spent in F.Y. 2021-22 (as per requirement of the Act)	₹ 4,44,574/-
Total Amount had spent in F.Y. 2021-22	₹ 5,50,000/-
Excess Amount Spent	₹ 1,05,426/-

The Company's CSR Policy Statement and Annual Report on the aforesaid CSR activities undertaken during the financial year ended 31st March, 2022, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in Annexure-G to this report.

MEETINGS OF THE BOARD, AGM & EGM & POSTAL BALLOT & INDEPENDENT DIRECTORS 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. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Companies Act, 2013.

During the year under review, the Board of Directors of the Company duly met 7 (Seven) times. The applicable details of these Board meetings including the attendance of the Directors at those meetings are given below:

Board Meeting held during the year:

Number of Board Meeting	Date of Board Meeting
Board Meeting No. 01/2021-22	21/06/2021
Board Meeting No. 02/2021-22	02/09/2021
Board Meeting No. 03/2021-22	02/11/2021
Board Meeting No. 04/2021-22	27/11/2021
Board Meeting No. 05/2021-22	13/01/2022
Board Meeting No. 06/2021-22	22/02/2022
Board Meeting No. 07/2021-22	29/03/2022

Attendance of Directors in Board Meeting held during the year and Previous Annual General Meeting (AGM) of the Company:

Name of Director	Mr. Nitinbhai Patel	Mr. Kushal Patel	Mr. Amitkumar Patel ¹	Mr. Dhruven Patel ²	Mr. Rakesh Patel ³	Mrs. Pinaben Patel	Mrs. Gitaben Patel ⁴	Mr. Kunjal Soni ⁵	Mr. Vinod Rana ⁶
Number of Board Meeting held	7	7	7	7	7	7	7	7	
Number of Board Meetings Eligible to attend	7	7	1	6	2	7	6	1	1
Number of Board Meeting attended	7	7	1	6	2	7	6	1	1
Presence at the previous AGM	Yes	Yes	No	Yes	No	No	No	Not Applicable	Not Applicable

¹ Mr. Amitkumar Patel was resigned from the post of Whole-Time Director w.e.f. June 21, 2021.

² Mr. Dhruven Pattel was resigned from the post of Independent Director w.e.f. February 22, 2022.

³ Mr. Rakesh Patel was resigned from the post of Independent Director w.e.f. September 02, 2021.

⁴ Mr. Gitaben Patel has been appointed as a Whole-Time Director w.e.f. June 22, 2021.

⁵ Mr. Kunjal Soni has been appointed as an Independent Director w.e.f. February 22, 2022.

⁶ Mr. Vinod Rana has been appointed as an independent Director w.e.f. February 22., 2022.

General Meetings/Postal Ballot held during the year:

Annual General Meeting:

During the year under review, the Annual General Meeting was held on September 30, 2021.

Extra-Ordinary General Meeting:

During the year under review, No Extra-Ordinary General Meeting was held.

Postal Ballot:

During the year under review, 2 (Two) Postal Ballot were conducted upto the date of this report set out below:

Postal Ballot-1

Type	Resolution	Resolution Passed Date
Postal Ballot	To Approve Increase in Authorised Share Capital of the Company and make Consequent Alteration in Clause V of the Memorandum of Association – Ordinary Resolution	Thursday, December 30, 2021
Postal Ballot	To Consider and approve the issuance of Bonus Shares – Ordinary Resolution	Thursday, December 30, 2021

The Board of Directors of the Company at their Board Meeting held on November 27, 2021 approved the proposal to conduct a Postal Ballot pursuant to Section 110 of the Companies Act, 2013 and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the General Circular No. General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021 (the “MCA Circulars”) read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, issued by SEBI to seek approval of the Members to Approve Increase in Authorised Share Capital of the Company and make Consequent Alteration in Clause V of the Memorandum of Association & To Consider and approve the issuance of Bonus Shares. The above resolutions have been taken as passed effectively on Thursday, December 30, 2021.

Postal Ballot-2

Type	Resolution	Resolution Passed Date
Postal Ballot	Migration Of Company's Present Listing from SME Platform of BSE Limited (“BSE”) to the Main Board of BSE Limited as well as on Main Board of National Stock Exchange of India Limited (“NSE”) – Special Resolution	Friday, March 25, 2022
Postal Ballot	Increasing the Borrowing Powers under section 180(1)(c) of the Companies Act, 2013 up to ₹ 500 Cr – Special Resolution	Friday, March 25, 2022
Postal Ballot	Creation of Charges, Mortgages, Hypothecation on the Immovable and Movable Properties of the Company under Section 180(1)(a) of the Companies Act, 2013 – Special Resolution	Friday, March 25, 2022
Postal Ballot	To give Loans, Inter Corporate Deposits, give guarantees in connection with Loans made by any person or Body Corporate and acquire by way of subscription, purchase or otherwise the Securities of any other Body Corporate in excess of the Limits prescribed in Section 186 of the Companies Act 2013 – Special Resolution	Friday, March 25, 2022
Postal Ballot	Appointment of Mr. Kunjal Soni (DIN: 08160838) as an Independent Director of the Company – Special Resolution	Friday, March 25, 2022
Postal Ballot	Appointment of Mr. Vinod Rana (DIN: 08160972) as an Independent Director of the	Friday, March 25, 2022

	Company-Special Resolution	
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The Board of Directors of the Company at their Board Meeting held on February 22, 2022 approved the proposal to conduct a Postal Ballot pursuant to Section 110 of the Companies Act, 2013 and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the General Circular No. General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021 (the "MCA Circulars") read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, issued by SEBI to seek approval of the Members for above resolutions. The above resolutions have been taken as passed effectively on Friday, March 25, 2022.

Independent Directors Meeting:

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 March 29, 2022 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 Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013.

COMMITTEE OF BOARDS:

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

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.

The composition of the Audit Committee:

Name of Director	Category	Designation
Mr. Dhruven Patel ¹ (Upto February 22, 2022)	Independent Director	Chairperson
Mr. Amitkumar Patel ³ (Upto June 21, 2021)	Whole Time Director	Member
Mr. Kushal Patel ⁴ (Upto June 30, 2022)	Managing Director	Member
Mr. Rakesh Patel ⁵ (Upto September 02, 2021)	Independent Director	Member
Mrs. Pinaben Patel ^{2 & 6 & 8 & 9} (Upto June 30, 2022)	Independent Director	Chairperson
Mr. Kunjal Soni ^{7 & 10} (W.e.f. February 22, 2022 & w.e.f. June 30, 2022)	Independent Director	Chairperson
Mr. Vinod Rana ¹⁰ (W.e.f. June 30, 2022)	Independent Director	Member
Ms. Apeksha Vyas ¹⁰ (W.e.f. June 30, 2022)	Additional Independent Director	Member

¹ Mr. Dhruven Patel resigned from the post of Independent Director w.e.f. February 22, 2022 in the Company.

- ² Due to resignation of Mr. Dhruven Patel, the Board of Directors of the Company reconstituted the Audit Committee in their Board Meeting held on February 22, 2022 and appointed Mrs. Pinaben Patel, Independent Director of the Company as a Chairperson of the Audit Committee in place of Mr. Dhruven Patel.
- ³ Mr. Amitkumar Patel resigned from the post of Whole-Time Director w.e.f. June 21, 2021 in the Company.
- ⁴ Due to resignation of Mr. Amitkumar Govindbhai Patel, the Board of Directors of the Company reconstituted Audit Committee in their Board Meeting held on June 21, 2021 and appointed Mr. Kushal Patel, Managing Director of the Company as a Member of the Audit Committee in place of Mr. Amitkumar Patel.
- ⁵ Mr. Rakesh Patel resigned from the post of Independent Director w.e.f. September 02, 2021 in the Company.
- ⁶ Due to resignation of Mr. Rakesh Patel, the Board of Directors of the Company reconstituted Audit Committee in their Board Meeting held on September 02, 2021 and appointed Mrs. Pinaben Patel, Independent Directors of the Company as a Member of the Audit Committee in place of Mr. Rakesh Patel.
- ⁷ Due to resignation of Mr. Dhruven Patel, the Board of Directors of the Company reconstituted Audit Committee in their Board Meeting held on February 22, 2022 and appointed Mr. Kunjal Soni, Additional Independent Director (position at appointment time) of the Company as a Member of the Audit Committee in place of Mr. Dhruven Patel.
- ⁸ Due to resignation of Mr. Dhruven Patel, the Board of Director of the Company reconstituted Audit Committee in their Board Meeting held on February 22, 2022 and appointed Mrs. Pinaben Patel, Independent Director of the Company as a Chairperson of the Audit Committee in place of Mr. Dhruven Patel.
- ⁹ Mrs. Pinaben Patel resigned from the post of Independent Director w.e.f. June 30, 2022 in the Company.
- ¹⁰ Due to resignation of Mrs. Pinaben Patel, the Board of Directors of the Company reconstituted entire Audit Committee in their Board Meeting held on June 30, 2022 and appointed Mr. Kunjal Soni, Independent Director of the Company as a Chairperson of the Audit Committee and appointed Ms. Apeksha Vyas, Additional Independent Director and Mr. Vinod Rana, Independent Director as a member of the Audit Committee.

Details of the Audit Committee Meetings held during the Financial Year 2021-22:

Number of Audit Committee Meeting	Date of Audit Committee Meeting
Audit Committee Meeting No. 01/2021-22	21/06/2021
Audit Committee Meeting No. 02/2021-22	02/09/2021
Audit Committee Meeting No. 03/2021-22	02/11/2021
Audit Committee Meeting No. 04/2021-22	22/02/2022

Attendance of the Audit Committee members are given below:

Name of the Directors	Category	Designation	Number of Audit Committee Meeting held during the financial year 2021-22		
			Held	Eligible to Attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	4	4	4
Mr. Amitkumar Patel	Whole Time Director	Member	4	1	1
Mr. Rakesh Patel	Independent Director	Member	4	2	2
Mr. Kushal Patel	Managing Director	Member	4	3	3
Mrs. Pinaben Patel	Independent Director	Member	4	2	2

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.

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.

The composition of the Stakeholder's Grievance & Relationship Committee is given below:

Name of the Director	Category	Designation
Mr. Dhruven Patel ⁵ (Upto February 22, 2022)	Independent Director	Chairperson
Mr. Amitkumar Patel ¹ (Upto June 21, 2021)	Whole Time Director	Member
Mr. Kushal Patel ² (Upto. June 30, 2022)	Managing Director	Member
Mr. Rakesh Patel ³ (Upto September 02, 2021)	Independent Director	Member
Mrs. Pinaben Patel ⁴ (Upto June 30, 2022)	Independent Director	Member
Mr. Vinod Rana ⁶ (W.e.f. February 22, 2022)	Independent Director	Chairperson
Mr. Kunjal Soni ⁷ (W.e.f. June 30, 2022)	Independent Director	Member
Ms. Apeksha Vyas ⁷ (W.e.f. June 30, 2022)	Additional Independent Director	Member

¹ Mr. Amitkumar Patel was resigned from the post of Whole-Time Director w.e.f June 21, 2021 in the Company.

² Due to resignation of Mr. Amitkumar Patel, the Board of Directors of the Company reconstituted in their Board Meeting held on June 21, 2021 and appointed Mr. Kushal Patel, Managing Director of the Company as a Member of the Stakeholder's Grievance & Relationship Committee in place of Mr. Amitkumar Patel.

³ Mr. Rakesh Patel was resigned from the post of Independent Director w.e.f. September 02, 2021 in the Company.

⁴ Due to resignation of Mr. Rakesh Patel, the Board of Directors of the Company reconstituted in their Board Meeting held on September 02, 2021 and appointed Mrs. Pinaben Patel, Independent Director of the Company as a Member of the Stakeholder's Grievance & Relationship Committee in place of Mr. Rakesh Patel.

⁵ Mr. Dhruven Patel was resigned from the post of Independent Director w.e.f. February 22, 2022 in the Company.

⁶ Due to resignation of Mr. Dhruven Patel, the Board of Directors of the Company reconstituted in their Board Meeting held on February 22, 2022 and appointed Mr. Vinod Rana, Additional Independent Director (position at the time of appointment) of the Company as a Chairperson of the Stakeholder's Grievance & Relationship Committee in place of Mr. Dhruven Patel.

⁷ Due to resignation of Mrs. Pineben Patel, the Board of Directors of the Company reconstituted entire Stakeholder's Grievance & Relationship Committee in their Board Meeting held on June 30, 2022 and appointed Mr. Kunjal Soni, Independent Director and Ms. Apeksha Vyas, Additional Independent Director as a member of the Stakeholder's Grievance & Relationship Committee.

Details of the Stakeholder's Grievance & Relationship Committee Meetings held during the financial year 2021-22:

Number of Stakeholder's Grievance & Relationship Committee Meeting	Date of Stakeholder's Grievance & Relationship Meeting
Stakeholder's Grievance & Relationship Committee Meeting No. 01/2021-22	21/06/2021
Stakeholder's Grievance & Relationship Committee Meeting No. 02/2021-22	02/09/2021
Stakeholder's Grievance & Relationship Committee Meeting No. 03/2021-22	02/11/2021
Stakeholder's Grievance & Relationship Committee Meeting No. 04/2021-22	22/02/2022

Attendance of the Stakeholder's Grievance & Relationship Committee members are given below:

Name of the Directors	Category	Designation	Number of Stakeholder's Grievance & Relationship Committee Meeting held during the financial year 2021-22		
			Held	Eligible to Attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	4	4	4
Mr. Amitkumar Patel	Whole Time Director	Member	4	1	1
Mr. Rakesh Patel	Independent Director	Member	4	2	2
Mr. Kushal Patel	Managing Director	Member	4	3	3
Mrs. Pinaben Patel	Independent Director	Member	4	2	2

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.

The composition of the Nomination and Remuneration committee are given below:

Name of the Director	Category	Designation
Mr. Dhruven Patel ² (Upto February 22, 2022)	Independent Director	Chairperson
Mr. Rakesh Patel ¹ (Upto September 02, 2021)	Independent Director	Member
Mrs. Pinaben Patel ⁴ (Upto June 30, 2022)	Independent Director	Member
Mr. Kunjal Soni ³ (W.e.f. February 22, 2022)	Independent Director	Chairperson
Mr. Vinod Rana ³ (W.e.f. February 22, 2022)	Independent Director	Member
Ms. Apeksha Vyas ⁵ (W.e.f. June 30, 2022)	Additional Independent Director	Member

¹ Mr. Rakesh Patel was resigned from the post of Independent Director w.e.f September 02, 2021 in the Company.

² Mr. Dhruven Patel was resigned from the post of Independent Director w.e.f February 22, 2022 in the Company.

³ The Board of Directors of the Company reconstituted the Nomination and Remuneration Committee in their Board Meeting held on February 22, 2022 and appointed Mr. Vinod Rana, Additional Independent Director (position at the time of appointment) of the Company as a Member and appointed Mr. Kunjal Soni, Additional Independent Director (position at the time of appointment) as a Chairperson.

⁴ Mrs. Pinaben Patel was resigned from the post of Independent Director w.e.f June 30, 2022 in the Company.

⁵ Ms. Apeksha Vyas, Additional Independent Director has been appointed as a member of the Nomination and Remuneration Committee w.e.f. June 30, 2022.

Details of the Nomination and Remuneration Committee Meetings held during the Financial Year 2021-22:

Number of Nomination and Remuneration Committee Meeting	Date of Nomination and Remuneration Committee Meeting
Nomination and Remuneration Committee Meeting No. 01/2021-22	21/06/2021
Nomination and Remuneration Committee Meeting No. 02/2021-22	02/09/2021
Nomination and Remuneration Committee Meeting No. 08/2021-22	22/02/2022

Attendance of the Nomination and Remuneration Committee members are given below:

Name of the Directors	Category	Designation	Number of Nomination and Remuneration Committee Meeting held during the financial year 2021-22		
			Held	Eligible to Attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	3	2	2
Mr. Rakesh Patel	Independent Director	Member	3	2	2
Mrs. Pinaben Patel	Independent Director	Member	3	3	3
Mr. Kunjal Soni	Independent Director	Chairperson	3	1	1
Mr. Vinod Rana	Independent Director	Member	3	1	0

RISK MANAGEMENT:

The company has been exempted under regulation 21 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 from reporting of risk management. The board is fully aware of Risk Factor and is taking preventive measures wherever required.

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Efficient risk management is the key to achieving short term goals and sustained value creation over the long term. 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.

There are no risks which in the opinion of the Board threaten the existence of the Company. Discussion on risks and concerns are covered in the Management Discussion and Analysis Report (MDA), which forms a part of this Annual Report.

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

During the Financial Year 2021-22, The Company has not issued any Equity Shares with differential rights.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:

The Company has not issued sweat Equity shares during the Financial Year 2021-22.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS:

The Company has not issued Employee Stock Options during the Financial Year 2021-22.

REDEMPTION OF SHARES/DEBENTURES:

The Company has not redeemed any shares during the Financial Year 2021-22.

DISCLOSURE RELATION TO REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The details of remuneration paid during the financial year 2021-22 to Directors and Key Managerial Personnel of the Company is provided in Form MGT- 7 which is uploaded on the website of the Company at www.axitacotton.com

TRANSFER OF SHARES AND UNPAID/UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

There is no money lying to unpaid / unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government in pursuant to the provisions of Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Further, the provisions related to the shares in respect of which dividend has not been paid/claimed for the consecutive period of seven (7) years or more which are required to be transferred to the demat account of the IEPF Authority, are not applicable to the Company.

NOMINATION AND REMUNERATION POLICY:

The Company has in place a policy on remuneration of Directors, Key Managerial Personnel (“KMP”) and Other Employees which appears at “Annexure - A” to this report. 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 Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at www.axitacotton.com and is annexed to this Report as Annexure - A.

ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

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.

LISTING:

The Equity Shares of the Company listed at BSE Limited (Main Board) and National Stock Exchange of India Limited (Main Board). The Annual Listing Fees for the Financial Year 2022-23 has been paid to BSE Limited and National Stock Exchange of India Limited.

MIGRATION:

Pursuant to Regulation 280(2) read with Regulation 277 under Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 and the SEBI (LODR) Regulations, 2015, the members of the Company, passed Special Resolution through Postal Ballot process on March 25, 2022 and approved for migration of Securities of the Company from SME Platform of BSE Limited to the Main Board of BSE and NSE. The Company received In Principle Approval for migration of securities from SME to Main Board of BSE on June 08, 2022 and on NSE on June 15, 2022 and approval for listing of equity shares on Capital Market Segment (Main Board) of BSE and on NSE on June 17, 2022. The equity shares of the Company got listed and admitted to dealings on the BSE and NSE (Capital Market Segment) with effect from June 21, 2022.

PROCEEDINGS INITIATED/PENDING AGAINST YOUR COMPANY UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the Business of the Company.

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. Further the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DECLARATION OF INDEPENDENCE:

The Company has received necessary declarations from each of the Independent Directors to the effect that they respectively meet the criteria of independence as stipulated under Section 149 (6) of the Companies Act, 2013 alongwith in compliance in Rule 6(1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and there has been no change in the circumstances which may affect their status as independent director during the year. The Board has assessed the veracity of the same to their satisfaction. The Board of Directors have satisfied themselves about the integrity, expertise and experience (including the proficiency) of the independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

ANNUAL RETURN:

As required under the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Annual Return in Form No. MGT-7 is displayed on the website of the Company at www.axitacotton.com.

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 Company has an Internal Audit Department with adequate experience and expertise in internal controls, operating system and procedures.

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. During the Financial Year 2021-22 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.

During the Financial Year 2021-22 the 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 - F.

SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS:

There were no significant / material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

MAINTENANCE OF COST RECORDS:

During the Financial Year 2021-22, the Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

BUSINESS RESPONSIBILITY REPORT:

During the Financial Year 2021-22, the Company has been exempted from reporting on Business Responsibility Report as per Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

SECRETARIAL STANDARDS:

Secretarial Standards as applicable to the Company were followed and complied with during the Financial Year 2021-2022.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

HEALTH, SAFETY AND ENVIRONMENT:

The safety excellence journey is a continuing process of the Company. The Company provide safety environment to the employees & workers of the Company. The Company also gives safety tips to workers. The Company has given all the safety equipment to the workers. The Company also takes care of the health of the workers during their work. The company has maintained a friendly environment so that if any employee or worker faces any problem, he can directly talk to the concerned person. The Company also checking the workers during their works.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Human Resources are vital and most valuable assets for the Company. The Company believes that Human Resources shape the success of its business vision. Your Company recognizes its employees as its greatest asset and constantly strives to create a friendly system of continuous learning to help our workforce be future ready.

Amidst the pandemic, the safety of our employees has been our top-most priority and the Company had taken several measures to ensure their well-being.

High-quality leadership talent has also been infused across all functions to build a robust talent pipeline. The Industrial Relations scenario continued to be positive across all our manufacturing locations.

ENHANCING SHAREHOLDERS VALUE:

Your Company believes that its Members are its most important stakeholders. The Company accords top priority for creating and enhancing shareholders value. All the Company's operations are guided and aligned towards maximizing shareholders value. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socioeconomic and environmental dimensions and contribute to sustainable growth and development.

APPRECIATION & ACKNOWLEDGEMENTS:

Your Board takes this opportunity to thank Company's employees for their dedicated service and firm commitment to the goals & vision of the Company. Your Directors take this opportunity to thank our customers for their continued loyalty with our products which has resulted in the Company's extraordinary success in industry even in this unprecedented times. The Board also wishes to place on record its sincere appreciation for the wholehearted support received from the shareholders, investors and bankers. Further we would also like to acknowledge the

support and assistance extended by the Regulatory Authorities such as SEBI, Stock Exchanges and other Central & State Government authorities and agencies, Auditors, Registrars, Legal Advisors and other consultants. We look forward to continued support of all them in future as well.

Registered office:

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

**Date: August 12, 2022
Place: Kadi, Mahesana**

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

**Nitinbhai Govindbhai Patel
Chairman Cum Managing Director
DIN: 06626646**

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



**ANNEXURE - A TO DIRECTORS' REPORT:
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.
-

ANNEXURE - B TO DIRECTORS' REPORT:

RELATED PARTY TRANSACTIONS

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, 2022, 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	RPT- 3	RPT-4
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, Whole-time Director of the Company	Axita Industries Private Limited- Company wherein directors are interested
2.	Nature of contracts/ arrangements/ transactions	Sale of Product	Purchase of Product & Sale of Product	Purchase of Product & Sale of Product	Sale of Product
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2021-22	F.Y. 2021-22	F.Y. 2021-22	F.Y. 2021-22
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of Product: ₹ 127253496	Purchase of Product ₹ 211805310 Sale of Product: ₹ 19390232	Purchase of Product ₹ 117446312 Sale of Product: ₹ 91538463	Sale of Product: ₹ 955194
5.	Date(s) of approval by the Board	June 21, 2021 & September 02, 2021	June 21, 2021 & September 02, 2021	June 21, 2021 & September 02, 2021	September 02, 2021
6.	Amount paid as advances, if any	N.A.	N.A.	N.A.	N.A.

Sr. No.	Particulars	RPT – 5	RPT – 6	RPT- 7	RPT-8
1.	Name(s) of the related party and nature of relationship	NG Organics Private Limited – Company wherein directors are interested	Nature Organic Certification Private Limited (formerly known as Avanit Exim Private Limited) – Company wherein Relative of Directors are interested	Abheek Organic Farm & Exports- Partnership Firm wherein Relative of Directors are interested	AG Textile Industries- Partnership Firm wherein Relative of Directors are interested
2.	Nature of contracts/ arrangements/ transactions	Sale of Product	Purchase of Product	Purchase of Product	Purchase of Product
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2021-22	F.Y. 2021-22	F.Y. 2021-22	F.Y. 2021-22
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of Product: ₹ 9715411	Purchase of Product: ₹ 50500903	Purchase of Product: ₹ 49031908	Purchase of Product: ₹ 49261968
5.	Date(s) of approval by the Board	September 02, 2021	February 22, 2022	February 22, 2022	February 22, 2022
6.	Amount paid as advances, if any	N.A.	N.A.	N.A.	N.A.
Sr. No.	Particulars	RPT – 9	RPT – 10	RPT- 11	
1.	Name(s) of the related party and nature of relationship	Amit Provision Store- Sole Proprietor business of Mrs. Nitinbhai Govindbhai Patel, Chairman Cum Managing Director of the Company	Pooja Patel- Relative of Directors	Gitaben Nitinbhai Patel-Relative of Directors	
2.	Nature of contracts/ arrangements/ transactions	Office expenses (like pantry items)	Payment of Remuneration	Payment of Remuneration	
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2021-22	F.Y. 2021-22	F.Y. 2021-22	
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	Office expenses: ₹ 64862	Payment of Remuneration ₹ 24,70,220	Payment of Remuneration ₹ 3,42,900	
5.	Date(s) of approval by the Board	June 21, 2021	June 21, 2021	June 21, 2021	
6.	Amount paid as advances, if any	N.A.	N.A.	N.A.	

* All transactions entered by the Company are at market rate and on arm's length basis.

Registered office:

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

Date: August 12, 2022
Place: Kadi, Mahesana

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

Nitinbhai Govindbhai Patel
Chairman Cum Managing Director
DIN: 06626646

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639

**ANNEXURE - C TO DIRECTORS' REPORT:
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	11.65 : 1.00	68.75
2.	Kushal Patel	Managing Director	Remuneration	11.65 : 1.00	68.75
3.	Amitkumar Patel ¹	Whole-Time Director	Remuneration	-	Not Applicable
4.	Gitaben Patel ²	Whole-Time Director	Remuneration	-	Not Applicable
5.	Dhruven Patel ^{3 & 5}	Independent Director	Sitting Fees	-	Not Applicable
6.	Pinaben Patel ^{6 & 5}	Independent Director	Sitting Fees	-	Not Applicable
7.	Rakesh Patel ^{4 & 5}	Independent Director	Sitting Fees	-	Not Applicable
8.	Jayesabhai Thakor ⁷	Chief Financial Officer	Salary	-	Not Applicable
9.	Harsh Shah ⁸	Chief Financial Officer	Salary	-	Not Applicable
10.	Deepakkumar Chaubisa	Company Secretary	Salary	2.24 : 1.00	36.32
11.	Kunjal Soni ^{9 & 5}	Independent Director	Sitting Fees	-	Not Applicable
12.	Vinod Rana ^{10 & 5}	Independent Director	Sitting Fees	-	Not Applicable
13.	Apeksha Vyas ¹¹	Additional Independent Director	Sitting Fees	-	Not Applicable

¹ Mr. Amitkumar Patel was resigned from the post of Whole-Time Director w.e.f. June 21, 2021 so percentage increase is not applicable.

² Mrs. Gitaben Patel has been appointed as a Whole-Time Director w.e.f. June 22, 2021 so percentage increase is not applicable.

³ Mr. Dhruven Patel was resigned from the post of Independent Director w.e.f. February 22, 2022.

⁴ Mr. Rakesh Patel was resigned from the post of Independent Director w.e.f. September 02, 2021.

⁵ No sitting fees have been paid to the Independent Director during the Financial Year 2021-22 so percentage increase is not applicable.

⁶ Mrs. Pinaben Patel was resigned from the post of Independent Director w.e.f. June 30, 2022.

⁷ Mr. Jayesabhai Thakor was resigned from the post of the Chief Financial Officer during the Financial Year 2021-22 so percentage increase is not applicable.

⁸ Mr. Harsh Shah has been appointed as a Chief Financial Officer of the Company w.e.f. September 03, 2021 so percentage increase is not applicable.

⁹ Mr. Kunjal Soni has been appointed as an Independent Director w.e.f. February 22, 2022.

¹⁰ Mr. Vinod Rana has been appointed as an Independent Director w.e.f. February 22, 2022.

¹¹ Ms. Apeksha Vyas has been appointed as an Additional Independent Director w.e.f. June 30, 2022.

Note: We have considered only permanent employees of the Company.

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 1.62% over the previous financial year.

- c) **The number of permanent employees on the rolls of the Company:** 22 permanent Employees as on March 31, 2022.
- d) **Average percentile increases 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 10.26% decrease was made in salary of employees. The average remuneration decreased due to decrease in number of employee of the Company and qualitative pay-out to the new CFO of the Company. Whereas remuneration of the executive directors increased by 68.75%. The remuneration paid to executive directors were within the limit as per approved by the shareholders of the Company.

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

Registered office:

Survey No. 324 357 358,
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Mahesana - 382715 Gujarat

Date: August 12, 2022
Place: Kadi, Mahesana

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

Nitinbhai Govindbhai Patel
Chairman Cum Managing Director
DIN: 06626646

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639



ANNEXURE - D TO DIRECTORS' REPORT:

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

A. Conservation of Energy

i. The steps taken or impact on conservation of energy:

Your Company has given a lot of attention to energy conservation which is as below:

- We keep upgrading LEDs.
- Services the machines regularly so that the machines run efficiently and reduce power consumption.
- We maintain our Compressors.
- We guide our staff to turn off the light where the light is not used. This is a very small step but it creates awareness among the staff.
- We continue using panel censor for energy consumption.
- We continue using 5 (Five) Star Motor which reduces power consumption.
- The Machines are run by a trained person so that the machine can run efficiently and save energy consumption.

ii. The steps taken by the Company for utilising alternate sources of energy:

Last Year your Company had taken initiative to generate energy through renewable sources like solar power and your Company installed solar rooftop at the factory premises. This year also your Company is using it as alternate source of energy.

iii. The capital investment on energy conservation equipment:

During the year under review, we have not made any capital investment on energy conservation equipment.

B. Technology Absorption

i. The efforts made towards technology absorption:

The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available. The Company regularly monitors the technical advancements which can help in reducing cost and make the existing processes more eco-friendly and result in minimization of environmental hazards. The Company has no foreign collaboration and is well versed with the indigenous technology.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

The above efforts have improved the quality of products. The more 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):

- a) The details of technology imported: Not Applicable
- b) The year of import: Not Applicable
- c) Whether the technology been fully absorbed: Not Applicable
- d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Not Applicable

iv. Expenditure incurred on research and development:

During the year under review, Company has not incurred any Expenditure on Research and Development.

C. Foreign exchange earning in terms of actual inflows and actual outflows

i). Details of Foreign Exchange Earnings:

Sr. No.	Particulars	(Amount in Lakh)	
		F.Y. 2021-22	F.Y. 2020-21
1.	Foreign Exchange Earnings*	25,389.69	41,333.57

ii). Details of Foreign Exchange Expenditure:

Sr. No.	Particulars	(Amount in Lakh)	
		F.Y. 2021-22	F.Y. 2020-21
1.	Foreign Exchange Outgo	1258.08	1,701.85

*Amount derived based on export of the Company.

Registered office:

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

Date: August 12, 2022
Place: Kadi, Mahesana

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

Nitinbhai Govindbhai Patel
Chairman Cum Managing Director
DIN: 06626646

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639

ANNEXURE - E TO DIRECTORS' REPORT:

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended March 31, 2022

[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
(CIN: - L17200GJ2013PLC076059)
Servey No. 324 357 358 Kadi Thol Road
Borisana Kadi, Mahesana-382715, Gujarat.

We 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 our opinion thereon.

Based on our 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, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We 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, 2022 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. The 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;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE);
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- vi. The Revised Secretarial Standards issued by the Institute of Company Secretaries of India.

During the year under the report, the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time issued for compliances under the pandemic situation, have been complied with by the Company.

We further report that, company being engaged in the business of producing cotton bales and cotton seeds, there are few specific applicable acts to the Company, 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 following law specifically applicable to 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")

During the Period under review, provisions of the following Acts, Rules, Regulations, and Standards are 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 SEBI (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 (Share Based Employee Benefits) Regulations, 2014;
- v. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- vi. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

We further report that -

The Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Director, Independent Directors and Woman Director in accordance with the act. The changes in the composition 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.

Since none of the members have communicated dissenting views in the matters / agenda proposed from time to time for consideration of the Board and Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

We further report that -

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

We Further report that during the period under review: -

- The Authorised Share Capital of the Company was increased from 14,00,00,000/- to 30,00,00,000/- vide ordinary resolution passed through Postal Ballot of the Company on December 30, 2021. The Authorised Share Capital of the Company was increased for issuance of Bonus Equity Shares.
- The Board of Directors of the Company passed board resolution on November 27, 2021 for issuance of 65,52,000 number of Bonus Equity Shares of ₹ 10/- each, credited as fully paid-up to the existing holders of the Equity Shares of the Company, whose names appeared on the register of members maintained by the Company/list of beneficial owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on record date in proportion of 1:2 i.e. 1 (One) Bonus Equity Shares of ₹ 10/- each for every 2 (Two) existing fully paid-up Equity Shares of ₹ 10/- each held as on the Record Date.

- The member of the Company passed ordinary resolution by means of Postal Ballot through remote electronic voting (Remote E-voting) on Thursday, December 30, 2021 for issuance of 65,52,000 number of Bonus Equity Shares of ₹ 10/- each, credited as fully paid-up to the existing holders of the Equity Shares of the Company, whose names appeared on the register of members maintained by the Company/list of beneficial owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on record date in proportion of 1:2 i.e. 1 (One) Bonus Equity Shares of ₹ 10/- each for every 2 (Two) existing fully paid-up Equity Shares of ₹ 10/- each.
- The Board of Directors of the Company allotted 65,52,000 of Bonus Equity Shares on January 13, 2022 to the existing shareholders of the Company whose names appeared in the register of members of the Company as on record date i.e. January 12, 2022 in the ratio 1:2 (One Bonus Equity Share of ₹ 10/- each fully paid up for every Two existing Equity Share of ₹ 10/- each fully paid up).
- After the allotment of 65,52,000 number of Bonus Equity Shares, the issued, subscribed and fully paid up capital of the Company was increased from ₹ 13,10,40,000/- to ₹ 19,65,60,000/-.
- Pursuant to Regulation 280(2) read with Regulation 277 under Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 and the SEBI (LODR) Regulations, 2015, the members of the Company, passed Special Resolution through Postal Ballot process on March 25, 2022 and approved for migration of Securities of the Company from SME Platform of BSE Limited to the Main Board of BSE and NSE. The Company received In Principle Approval for migration of securities from SME to Main Board of BSE on June 08, 2022 and on NSE on June 15, 2022 and approval for listing of equity shares on Capital Market Segment (Main Board) of BSE and on NSE on June 17, 2022. The equity shares of the Company got listed and admitted to dealings on the BSE and NSE (Capital Market Segment) with effect from June 21, 2022.

Place: Ahmedabad
Date: August 12, 2022

For SCS and Co. LLP
Company Secretaries
ICSI Unique Code: - L2020GJ008700

Anjali Sangtani
Partner
ACS No.: 41942 **C P No.: 23630**
UDIN: A041942D000788237

Note: This Report is to be read with **Annexure 1** and it form integral part of this report.



Annexure I

To,
The Members,
Axita Cotton Limited

Our 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. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We 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. We believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. We 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. Our examination was limited to verification of procedures on test basis.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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 12, 2022

For SCS and Co. LLP
Company Secretaries
ICSI Unique Code: - L2020GJ008700

Anjali Sangtani
Partner
ACS No.: 41942 C P No.: 23630
UDIN: A041942D000788237

**ANNEXURE - F TO DIRECTORS' REPORT:
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

This report covers the operations and financial performance of the Company for the year ended March 31, 2022 and forms part of the Annual Report.

BUSINESS SCENARIO:

The last two years the country's economy has seen turbulence and uncertainty in terms of COVID - 19. After weathering over two years of the pandemic, the global business community was eager to get down to real business. But the war in Ukraine has triggered significant slowdown in global growth in 2022 and to inflation. However, the emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. By March 2022, India administered a massive vaccine doses, amongst the highest in the world. Further, the RBI and the Indian government have taken a range of fiscal and monetary measures in the last two years to provide support to domestic businesses, and ensure ample liquidity in the system.

OVERALL REVIEW:

India has emerged as the world's fastest-growing major economy, and it is predicted to be one of the top economic powers in the next decade, owing to its robust democracy and strong partnerships. India is the largest producer of cotton globally. It is a crop that holds significant importance for the Indian economy and the livelihood of the Indian cotton farmers. The industry is sustaining livelihoods to millions of people in rural and semi urban areas by providing them employment directly and indirectly, including a large number of women and rural population. Cotton is one of the most important cash crops and accounts for around 25% of the total global fibre production. 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. The ongoing global slowdown coupled with sharp increase in the prices of raw cotton are posing serious challenges to the Textile Industry.

COMPANY OVERVIEW:

Our Company main business of Ginning and Pressing of Seed Cotton ("Kapas"). Our Company is producing cotton bales and cotton seeds. Our Company also engaged in the business of Trading of Kapas, cotton bales and cotton seeds. Our Company also doing ginning and pressing of Kapas on job work basis. The production facility of our Company is situated at Kadi in Mahesana District of Gujarat state. Axita Cotton Limited is well-known Company in our Business Sector.

During the Financial Year 2021-22, the Company continued to achieve greater heights despite several hurdles faced. The overall profitability of the Company during the year under review have grown as compared to the previous year. Our Company's exports have decreased in financial year 2021-22 as compared to previous financial year 2020-21 but Our Company's domestic sales have increased in financial year 2021-22 as compared to previous financial year 2020-21. Our Company's products demand was high in the domestic market during the financial year 2021-22.

OPPORTUNITIES AND THREATS, RISKS AND CONCERNS (OTRC):

Management Discussion and Analysis mainly comprise the statements which may, inter alia, involve predictions based on perceptions and may, therefore, be prone to risks and uncertainties. It is the sum total of the Company's expectations, beliefs, estimates and projections which may be forward looking or depressing within the meaning of applicable laws and regulations. The actual results could differ materially from those expressed herein specially or impliedly.

The OTRC have the various bench mark and keep changing on the various domestic global business outlooks.

Opportunities:

1. Expertise in new products development.
2. Policy Support: Several policy support initiatives taken by the government of India favourably
3. Moreover, several countries of the world have realized that dependence on the one country for its textiles requirements is not a good policy. So, in the changed global scenario they have started looking for alternative production sources and has started working on China plus one strategy for the requirement of Textile Products.
4. Various incentives offered by the government, have provided the much needed impetus to the Textile industry.
5. Consumers are more attracted towards local good quality products which are more reliable.

Threats, Risks and Concerns:

No industry is free from normal business risk, threats and concerns.

1. Uncertainty on monsoon.
2. Higher Cost of Raw Materials
3. Global Events like escalation of war in Ukraine
4. Rising crude oil prices
5. Logistic Risk: The scarcity and long delivery times of raw materials is still present due to complicated and highly expensive transports
6. Price fluctuations
7. Exchange fluctuations in case of Exports
8. High inflation

OUTLOOK AND FUTURE PROSPECTS:

We are pleased to inform you that the year gone by has been excellent for the Textile Industry. The government is making all possible efforts towards gaining access to the new markets. Indian Textile Industry is one of the key industry of the country and the Government through its policies and initiatives continues to give further push to the industry so that it become global competitive and increase its Global share.

The high cotton prices coupled with slackness in Global demand are affecting the fortunes of the Textile Industry. The Future is still not clear. Your management is looking at the future with optimism and expects that with the improvement in the global demand and softening of raw cotton prices in the coming periods, will give a relief to the Textile Industry.

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 considers 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 on March 31, 2022 is summarized below:

PARTICULARS	(Amount ₹ in Lacs)	
	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
Revenue from Operations	82282.26	61879.29
Other Income	675.36	14.80
Total Income from Operations (Net)	82957.62	61894.09

(Amount ₹ in Lacs)

PARTICULARS	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
Earnings Before Interest, Taxes, Depreciation and Amortization Expense	2162.23	917.37
Less: Finance Cost	168.10	329.09
Less: Depreciation and Amortization Expense	49.60	44.23
Profit Before Tax	1944.53	544.05
Less: Tax Expenses		
Current Tax	513.21	140.52
Deferred Tax	(22.51)	30.16
Profit After Taxation	1453.83	373.36

Note: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure and may not be comparable with the figures reported earlier.

COMPANY'S PERFORMANCE:

During the year under review, the Company recorded Revenue from Operations of ₹ 82,282.26 Lakhs for the F.Y. 2021-22 as compared to ₹ 61,879.29 Lakhs during the previous F.Y. 2020-21.

During the year under review, the Company achieved Earnings before Interest, Taxes, Depreciation and Amortization Expense of ₹ 2,162.23 Lakhs for the F.Y. 2021-22 as compared to ₹ 917.37 Lakhs during the previous F.Y. 2020-21.

During the year under review, the Company achieved Profit after Taxation of ₹ 1,453.83 Lakhs for the F.Y. 2021-22 as compared to ₹ 373.36 Lakhs during the previous F.Y. 2020-21.

Export Sales for the F.Y. 2021-2022 was ₹ 25,245.19 Lakhs as compared to ₹ 41333.57 Lakhs for the F.Y. 2020-2021.

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:

Axita Cotton Limited has appropriate systems for internal control. 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 by the Internal Auditor of the Company and Chief Financial Officer of the Company. This ensures that the Company's resources are put to optimum use and all transactions are authorized, recorded and reported correctly to the Management. The company has a regular practice of enhancing its system control in line with changing requirements of the business and the industry. 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 2021-22 vis-à-vis Financial Year 2020-21 are as below:

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.46	1.23	18.70%	-
Debt - Equity Ratio (in times)	Total debt	Shareholder's Equity	0	0.6	(100.00%)	Due to Repayment of all Loans.
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	1.11	1.50	(26.00%)	Prepayment of all loans.
Return on Equity Ratio (in %)	Net Profit after taxes - preference dividend (if any)	Avg. Shareholders' Equity	49.88%	18.71%	166.60%	As there is positive growth in our Net Profit that's the reason Return of Equity Positively affected.
Inventory Turnover Ratio (in times)	Cost of Goods sold	Average Inventory	10.54	9.40	12.13%	-
Trade Receivables Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	119.40	94.43	26.45%	Due adequate credit policies Company's efficiency of accounts receivable's collection increased.
Trade Payables Turnover Ratio (in times)	Net credit purchase	Average Trade Payables	13.21	14.06	(6.05%)	-
Net Capital Turnover Ratio (in times)	Revenue from Operations	Net Working Capital = Current Assets - Current Liabilities	24.07	30.99	(22.33%)	-
Net Profit Ratio (in %)	Net Profit	Revenue from Operations	1.77%	0.60%	195.00%	Due to significant changes in the Revenue from Other Income and also increase in revenue from main stream operations
Return on Capital Employed (in %)	EBIT	Capital Employed	0.39%	0.37%	5.41%	-
Return of Investment (in %)	Income Generated from Investment Funds	Average Invested funds	Not Applicable as such there is no kind of investment in our Company			

Note: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure and may not be comparable with the figures reported earlier.

Note: Reason for Variance are provided in case of changes of 25% or more as compared to Financial Year 2020-21

CAUTIONARY STATEMENT:

Statements on the Management Discussion and Analysis and current year's outlook are Management's perception at the time of drawing this report. Actual results may be materially different from those expressed in the statement. Important

Registered office:

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

Date: August 12, 2022
Place: Kadi, Mahesana

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

Nitinbhai Govindbhai Patel
Chairman Cum Managing Director
DIN: 06626646

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639

ANNEXURE - G TO DIRECTORS' REPORT:

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) as amended from time to time]

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy:

INTRODUCTION

The purpose of Corporate Social Responsibility (CSR) Policy of Axita Cotton Limited ("AXITA", "ACL") is to devise an appropriate strategy and focus for its CSR initiatives and lay down the broad principles on the basis of which it will fulfil its CSR objectives.

APPLICABILITY

The Company's CSR Policy has been prepared in accordance with Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India, in 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) as amended from time to time.

ROLES AND RESPONSIBILITIES OF THE CSR COMMITTEE

The roles and responsibilities of the CSR Committee are as under:

- i. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 and rules thereof.
- ii. To recommend the amount of expenditure to be incurred on the CSR activities.
- iii. To monitor the implementation of framework of CSR Policy of the Company from time to time.
- iv. To formulate and recommend to the Board, an annual action plan which includes:
 - (a) the list of CSR projects or programmed that are approved to be undertaken in areas or subject specified in Schedule VII of the Companies Act, 2013;
 - (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of the CSR Rules;
 - (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism form the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the Company
- v. To carry out any other function as may be delegated or assigned by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

POLICY REVIEW

This Policy is framed based on the provisions of the Act and Rules thereunder.

In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the CSR Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be given for approval of the Board of Directors.

2. Composition of the CSR Committee:

Sr. No.	Name of Committee Members	Status / Designation	Chairman / Member	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Kushal Nitinbhai Patel	Managing Director	Chairman	1	1
2.	Nitinbhai Govindbhai Patel	Chairman Cum Managing Director	Member	1	1
3.	Pinaben Bharatkumar Patel* (upto June 30, 2022)	Independent Director	Member	1	1
4.	Vinod Kanubhai Rana* (w.e.f. June 30, 2022)	Independent Director	Member	NA	NA

* Mrs. Pinaben Bharatkumar Patel resigned from the Post of Independent Director w.e.f. June 30, 2022. The Board of Directors re-constituted Corporate Social Responsibility Committee on June 30, 2022 and appointed Mr. Vinod Kanubhai Rana as a Member of Corporate Social Responsibility Committee in place of Mrs. Pinaben Bharatkumar Patel.

3.

The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:	www.axitacotton.com
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4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Detail of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the (Companies Corporate Social Responsibility Policy) rule 2014, and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	FY 2019-20	Not Applicable	Not Applicable
2	FY 2020-21	Not Applicable	Not Applicable
3	FY 2021-22	Nil	Nil

6. Average net profit of the Company as per section 135(5): ₹ 2,22,28,720/-

(Amount in ₹)

1.	Two percent of average net profit of the Company as per section 135(5)	4,44,574/-
2.	Surplus arising out of the CSR projects or programme or activities of the previous financial years	0
3.	Amount required to be set off for the financial year, if any	0
4.	Total CSR obligation for the financial year (1+2-3)	4,44,574/-

8. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (in ₹)	Amount Unspent (Amount in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,50,000/-	Nil	Nil	Nil	Nil	Nil

b. Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of The Project	Item From Activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount Transferred to unspent CSR Account For the Project as Per Section 135(6) (in ₹)	Mode of implementation Direct (Yes/ No)	Mode of Implementation Through implementing Agency	
				State	District						Name	CSR Registration Number
NIL												

c. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of Project	Item from The List of Activities In schedule VII to the Act	Local Area (Yes/ No)	Location of the project		Amount Spent for the Project (in ₹)	Mode of Implementation Direct (Yes/ No)	Mode of implementation Through implementing agency	
				State	District			Name	CSR Reg. Number
1	Contribution for providing Educational Institution and drug-free nation by educating the young breed of India about the evil effect of drugs & reinforcing the message for inspiring, motivating and supporting drug addicts to stay away from the perils of drug abuse	Promotion of Education and Development	Yes	Gujarat	Ahmedabad	5,50,000	No	High On Life Foundation	CSR0000 5367
	Total					5,50,000			

d. Amount spent in Administrative Overheads: Nil

e. Amount spent on Impact Assessment, if applicable: Not Applicable

f. Total amount spent for the financial year (8b+8c+8d+8e): 5,50,000/-

g. Excess amount for set off, if any:

Sr. No.	Particular	Amount in ₹
i	Two percent of average net profit of the Company as per section 135(5)	4,44,574
ii	Total amount spent for the Financial Year	5,50,000
iii	Excess amount spent for the financial year [(ii)-(i)]	1,05,426
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,05,426

9. (a) Details of Unspent CSR amount for the preceding three financial years:

There is no unspent CSR amount from the preceding three financial years.

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (Amount in ₹)	Amount spent in the reporting Financial Year (Amount in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years Lacs (Amount in ₹)
				Name of the Fund	Amount in ₹	Date of Transfer	
1	2018-19	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2	2019-20	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	2020-21	Nil	Nil	Nil	Nil	Nil	Nil
Total		Nil	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Not Applicable. There are no ongoing projects of preceding financial years.

(1) Sr. No	(2) Project ID	(3) Name of The project	(4) Project Duration	(5) Total amount allocated for the project (in ₹)	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial year (in ₹)	(8) Cumulative amount spent at the end of the reporting Financial Year (in ₹)	(9) Status of the project Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable.

Registered office:

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

Date: August 12, 2022
Place: Kadi, Mahesana

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

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639
Chairman of CSR Committee

Vinod Kanubhai Rana
Independent Director
DIN: 08160972
Member of CSR Committee

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 2022, 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, 2022 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 and Board of Directors' Responsibilities 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's and Board of Directors' are 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 and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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, 2020 ("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 as amended from time to time;
 - 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, 2022 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.
 - iv. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts,
 - I. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- II. No funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- III. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- h) In our opinion and according to the information and explanations given to us, The Company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the Companies Act, 2013 is not applicable for the year under consideration.

For Mistry & Shah LLP
Chartered Accountants
F.R.N: - W100683

Malav Shah
Partner
M.NO. 117101
UDIN: 22117101AHUBZJ3075

Date: 25/04/2022
Place: Ahmedabad

“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) In our opinion and according to the information and explanations given to us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2. (a) The inventory has been physical verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory were noticed on such verification.
 - (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts, except in the following cases:

Month	Data as per Statement Submitted to bank			Data as per Books			Difference, if any			Reason		
	Debtors	Creditors	Stock	Debtors	Creditors	Stock	Debtors	Creditors	Stock	Debtors	Creditors	Stock
Apr-21	7,447.04	3,902.45	672	7,272.73	3,886	989	174.30	16.64	-317.92	In many cases we have to record credit note after stock statement issued due to late receipt of debit note from sales parties. Company have recorded foreign exchange	Sometimes debit notes cancelled due to dispute with parties after stock statement issued which affect value of creditors	Company Have Calculated stock value based on FIFO method while bank has calculated stock value based on weighted average method that reason of difference.
May-21	5,500.40	2,746.34	219	5,393.21	3,226.71	586	107.20	-480.37	-366.83			
Jun-21	3,560.89	2,555.09	312	3,428.21	2,569.11	686.68	132.68	-14.02	-374.22			
Jul-21	1,486.54	1,232.49	496	1,832.92	1,234.76	423	-346.38	-2.26	73.27			
Aug-21	3,831.14	3,308.39	281	3,658.42	3,609.67	721.76	172.71	-301.28	-440.45			

Month	Data as per Statement Submitted to bank			Data as per Books			Difference, if any			Reason		
	Debtors	Creditors	Stock	Debtors	Creditors	Stock	Debtors	Creditors	Stock	Debtors	Creditors	Stock
Sep-21	8,072.41	6,538.75	186	8,138.66	6,555.58	186.09	-66.24	-16.82	0.15	fluctuation loss on inward remittance of exports sales on half yearly basis so, debit balance of that export party also included in debtors balance.	debit notes after stock statement issued which also affect value of creditors	Most of the time banks did not consider quantity of stock for which export contract received and commercial invoice generated for export.
Oct-21	4332.29	3312.52	1321.94	4187.60	3036.28	1319.78	144.69	276.24	2.17	Some time Bank did note consider advances to creditors and so bank did not consider it for Drawing power calculation. In many Case company is having Common Party for Purchase and sale due to which Books of Accounts showing Net Figure but to the bank showing Separate Figure of Accounts Receivable and Accounts Payable is Reported.	Company have recorded foreign exchange fluctuation gain on inward exports sales on half yearly basis so that credit balance of foreign parties included in creditors. In many Case company is having Common Party for Purchase and sale due to which Accounts showing Net Figure but to the bank Separate Figure of Accounts Receivable and Accounts Payable is Reported.	
Total	34,230.71	23,596.04	3,488.43	33,911.74	24,117.92	4,912.27	318.97	-521.88	-1,423.84			

Note: Company had initiated process of withdrawal of cash credit limit from 17-11-2021, hence after that date company did not submitted stock statement to bank because company did not require to renew drawing power

3. In our opinion and according to information and explanation given to us, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable.
4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013 applicable. Accordingly, paragraph 3 (iv) of the order is not applicable.
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. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured and traded by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

7. (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year, since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts Deducted/ accrued in the books of account in respect of undisputed Statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on Account of disputes, except for the following:

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period	Forum where dispute is Pending
Goods and Service Tax Act	GST	17.03	FY- 2021-22	Commissionerate - GANDHINAGAR, Division - KADI DIVISION, Range - RANGE II (Jurisdictional Office)

8. In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.

9. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.

(d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.

(e) The Company does not have any subsidiaries/ associates/ joint ventures and accordingly, paragraphs 3 (ix) (e) and 3 (ix) (f) of the Order are not applicable.

(f) In our opinion and according to the information and explanations given to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10.(a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly paragraph 3 (x) (b) of the Order is not applicable.

11. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraph 3 (xi) (a) of the Order is not applicable.
 - (b) Since there is no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year, paragraph 3 (xi) (b) of the Order is not applicable.
 - (c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints, have been received by the Company during the year.
12. The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
 - (b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - (d) According to the information and Explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
17. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and Payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

21. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For Mistry & Shah LLP
Chartered Accountants
F.R.N: - W100683

Malav Shah
Partner
M.NO. 117101
UDIN: 22117101AHUBZJ3075

Date: 25/04/2022
Place: Ahmedabad



“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, 2022 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, 2022, 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 LLP
Chartered Accountants
F.R.N: - W100683

Malav Shah
Partner
M.NO. 117101
UDIN: 22117101AHUBZJ3075

Date: 25/04/2022
Place: Ahmedabad



BALANCE SHEET AS AT MARCH 31, 2022

(Figures in lakh)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
(a) Share Capital	3.1	1,965.60	1,310.40
(b) Reserves and Surplus	3.2	1,682.09	871.58
		3,647.69	2,181.98
Non-Current Liabilities			
(a) Long-Term Borrowings	3.3	-	89.01
(b) Deferred Tax Liabilities (Net)		-	21.03
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
		-	110.04
Current Liabilities			
(a) Short-Term Borrowings	3.4	-	1,244.42
(b) Trade Payables	3.5		
(i) Total outstanding dues of micro enterprises and small enterprises; and		160.89	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,496.69	4,853.31
(c) Other Current Liabilities	3.6	62.99	84.19
(d) Short Term Provision	3.7	542.06	2,248.66
		7,262.63	8,430.58
Total		10,910.32	10,722.60
<u>ASSETS</u>			
Non-Current Assets			
(a) Property, Plants and Equipment's and Intangibles			
Property, Plants and Equipment's	3.8	318.56	320.83
Intangible Assets	3.8	1.02	-
Capital Work-In-Progress		-	-
Intangible Assets Under Development		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets	3.9	1.48	-
(d) Long-term Loan and Advances		-	-
(e) Other Non-Current Assets		-	-
		321.06	320.83
Current Assets			
(b) Current Investments		-	-
(c) Inventories	3.10	476.37	800.84
(d) Trade receivables	3.11	7,342.27	7,107.30
(e) Cash and Cash Equivalents	3.12	353.84	987.48
(f) Short-Term Loans and Advances	3.13	1,655.90	580.91
(g) Other current Assets	3.14	760.88	925.24
		10,589.26	10,401.77
Total		10,910.32	10,722.60
Contingent Liabilities	3.15		3,940.89
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: W100683

Malav Shah
Partner
M. No. 117101
UDIN: 22117101AHUBZJ3075

For and on Behalf of the Board
Axita Cotton Limited

Kushal Patel
Managing Director
DIN: 06626639

Harsh Shah
CFO

Gitaben Patel
Whole Time Director
DIN: 09211543

Deepak Chaubisa
CS
M. No.: A45536

Date: 25 April, 2022
Place: Ahmedabad

Place: Kadi, Mehsana

STATEMENT OF PROFIT & LOSS FOR YEAR ENDING ON MARCH 31, 2022

(Figures in lakh)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME:			
Revenue from Operations	3.16	82,282.26	61,879.29
Other Income	3.17	675.36	14.80
Total Income		82,957.62	61,894.09
EXPENDITURE:			
Cost of Materials Consumed	3.18	1,326.75	5,471.81
Purchase of stock-in-trade	3.19	74,474.72	47,354.09
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	3.20	348.70	(260.16)
Manufacturing expenses	3.21	21.32	43.65
Employee Benefit Expenses	3.22	210.41	195.62
Finance Costs	3.23	168.10	329.09
Depreciation Expenses	3.8	49.60	44.23
Other Expenses	3.24	4,413.49	8,171.71
		81,013.09	61,350.04
Profit before Exceptional and Extraordinary Items and Tax		1,944.53	544.05
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		1,944.53	544.05
Extraordinary Items		-	-
Profit Before Tax		1,944.53	544.05
Tax Expenses			
Current Tax		513.21	140.52
Deferred Tax		(22.51)	30.16
Profit after Tax for the year		1,453.83	373.36
Earnings per Equity Share			
-Basic	3.25	7.40	1.90
-Diluted	3.25	7.40	1.90

Corporate Information	1
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Notes On Financial Statements	3

As per our report of even date

For Mistry & Shah LLP
Chartered Accountants
FRN: W100683

For and on Behalf of the Board
Axita Cotton Limited

Malav Shah
Partner
M. No. 117101
UDIN: 22117101AHUBZJ3075

Kushal Patel
Managing Director
DIN: 06626639

Gitaben Patel
Whole Time Director
DIN: 09211543

Harsh Shah
CFO

Deepak Chaubisa
CS
M. No.: A45536

Date: 25 April, 2022
Place: Ahmedabad

Place: Kadi, Mehsana

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Figures in lakh)

Sr. No	PARTICULARS	For the year ended March 31, 2022	For the year ended March 31, 2021
1	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net Profit (Loss) As per Profit & Loss Account	1,453.83	373.36
A	Tax and Extra-Ordinary Item		
	Amt Transferred to Reserve	11.88	-
	Income Tax	513.21	140.52
	Deferred Tax	(22.51)	30.16
	Net Profit (Loss) before tax	1,956.41	544.05
B	Adjustments: -		
	Depreciation	49.60	44.23
	Bonus Share Issued	-	-
	Preliminary expenses written off	-	-
	Interest Expense	168.10	329.09
	Provision Created for the year	-	2,108.67
	Interest Income	(105.15)	-
	Operating profit(loss) before working capital changes	2,068.95	3,026.03
C	Adjustments: -		
	Decrease/(Increase) in Inventory	324.47	(260.16)
	Decrease/(Increase) in Trade Receivables	(234.97)	(3,594.75)
	Decrease/(Increase) in Other Current Assets	164.35	77.35
	Decrease/(Increase) in Short Term Loans and Advances	(1,074.99)	(424.69)
	Payment of Short-Term Provisions	(1,706.59)	(416.90)
	(Decrease)/Increase in Trade Payables	1,804.26	2,667.24
	(Decrease)/Increase in Other Current liabilities	(21.19)	(506.75)
	(Decrease)/Increase in Short Term Borrowings	(1,244.42)	(168.33)
	Net Cash Flow before tax and extra ordinary item	(1,989.07)	399.05
	Less: Direct Taxes Paid	513.21	16.56
	Less: Extraordinary Items	-	-
	Net Cash Flow from Operating Activities	(433.33)	382.48
2	<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
a	Acquisition of Fixed Assets	(48.35)	(24.76)
b	Capital Gain Income	-	-
c	Change in DTA	-	-
d	Interest Income	105.15	-
	Net Cash Flow from Investing Activities	56.80	(24.76)
3	<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
a	Long Term Borrowing Repaid	(89.01)	89.01
b	Interest and finance cost	(168.10)	(329.09)
c	Shares Issued	-	-
d	Share Issue Expenses	-	-
	Net Cash Flow from Financing Activities	(257.11)	(240.08)
	Net Increase in Cash and Equivalent.	(633.63)	117.64
	Cash And Cash Equivalents as at the Beginning of the year	987.48	869.84
	Cash And Cash Equivalents as at the Closing of the year	353.84	987.48

This Cash Flow Statement has been prepared as per "Indirect Method" as prescribed by accounting Standard -3 (revised) "Cash Flow Statements"
Figures in bracket indicate cash outflow.

As per our report of even date

For Mistry & Shah LLP
Chartered Accountants
FRN: W100683

Malav Shah
Partner
M. No. 117101
UDIN: 22117101AHUBZJ3075

Date: 25 April, 2022
Place: Ahmedabad

For and on Behalf of the Board
Axita Cotton Limited

Kushal Patel
Managing Director
DIN: 06626639

Harsh Shah
CFO

Place: Kadi, Mehsana

Gitaben Patel
Whole Time Director
DIN: 09211543

Deepak Chaubisa
CS
M. No.: A45536

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, Trading, 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.

Amounts in the financial statements are rounded off to the nearest Lakh rupees. Figures in brackets indicate negative values.

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

2.2 Summary of Significant Accounting Policies

(a) Use of estimates and judgments-

The preparation of the financial statements in conformity with AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(b) 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

(c) 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."

(d) 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.

(e) 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.

(f) 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.

(g) 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 calculate on is limited to past

service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(h) 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.

(i) 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".

(j) 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.

Interest on the deployment of surplus funds is recognized using the time proportion method, based on interest rates implicit in the transaction based on reasonable certainty of receipt.

(k) 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.

(l) 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.

(m) Investment

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

(n) 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.

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST APRIL, 2021 TO 31ST MARCH, 2022:

Note No: - 3.1.1 Share Capital

(Figures in lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amt. in Rs	Number	Amt. in Rs
Equity Share Capital of Rs. 10/- each				
Authorized Share Capital	300.00	3,000.00	140.00	1,400.00
Issued Share Capital	196.56	1,965.60	131.04	1,310.40
Subscribed and Fully Paid Up	196.56	1,965.60	131.04	1,310.40
	196.56	1,965.60	131.04	1,310.40

Notes

- 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.
- The company has made a bonus issue of 65,52,000 shares in the ratio of 1:2 (One bonus equity share for every Two Existing Shares) on January 13, 2022.
- 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.
- 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.
- 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.
- 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

(Figures in lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amt. in Rs	Number	Amt. in Rs
Equity Shares (Face Value Rs. 10.00)				
Shares outstanding at the beginning of the year	131.04	1,310.40	131.04	131.04
Conversion of fully paid up Compulsorily Convertible Debentures of Rs.10 each	-	-	-	-
Conversion from Unsecured Loans to Share Capital	-	-	-	-
Bonus Shares issued during the year	65.52	655.20	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	196.56	1,965.60	131.04	1,310.40

Notes

- 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).
- 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, 2022		As at March 31, 2021	
	Number	% of Holding	Number	% of Holding
Kushal Nitinbhai Patel	59,95,572	30.50%	39,97,048	30.50%
Nitinbhai Govindbhai Patel	71,86,500	36.56%	35,71,000	27.25%
Amitkumar Govindbhai Patel	6,78,528	1.53%	14,24,400	10.87%

Note No: - 3.1.4 Shareholding of Promoters

Shares held by promoters at the end of the year		31 st March 2022		31 st March 2021		% Change during the year
Sr. No.	Promoter Name	No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Amitkumar Govindbhai Patel	3,00,600	1.5293	14,24,400	10.8700	(0.8593)
2	Gitaben Amitbhai Patel	6,78,528	3.4520	1,15,000	0.8776	2.9335
3	Gitaben Nitinbhai Patel	4,500	0.0229	4,52,352	3.4520	(0.9934)
4	Krunalbhai Girishkumar Patel	300	0.0015	200	0.0015	0.0000
5	Kushal Nitinbhai Patel	59,95,572	30.5025	39,97,048	30.5025	0.0000
6	Nitinbhai Govindbhai Patel	71,86,500	36.5614	35,71,000	27.2512	0.3416
7	Pooja Kushal Patel	60,000	0.3053	40,000	0.3053	0.0000
	Total	1,42,26,000	72.3749	96,00,000	73.2601	

Note No: - 3.2 Reserves and Surplus

(Figures in lakh)

Particulars	As at March 31,2022	As at March 31,2021
Surplus of Profit & Loss		
Opening Balance	555.14	181.78
(+) Profit for the Current Year	1,453.83	373.36
(-) Bonus Issue and related Expenses	338.76	-
(+) Tax Provision of earlier Years reverse	11.88	-
Closing balance	1,682.09	555.14
Security Premium Account		
Opening Balance	316.44	316.44
(+) Addition during the year	-	-
(-) Bonus Issue and related Expenses	316.44	-
(-) Preliminary expenses charged	-	-
Closing Balance	-	316.44
	1,682.09	871.58

Note No: - 3.3 Long Term Borrowings

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Term Loan from Bank ****		
PNB Covid Loan	-	89.01
Total	-	89.01

****The PNB Covid Loan which is secured against hypothecation of entire current assets was repaid by company on 05-01-2022.

Note No: - 3.4 Short Term Borrowings

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Borrowings from Bank		
PNB Bank CC*	-	1,130.27
Unsecured Loans & Advances from Related Parties		
Unsecured loan from Directors	-	114.15
Total	-	1,244.42

* The PNB 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, which were closed during the year and as on 31.03.2022 company doesn't have and CC facility with PNB bank.

Note No: - 3.5 Trade Payables

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	160.89	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,496.68	4,762.63
Total	6,657.57	4,762.63

Notes

* The company has dispatch letter by post/emails for asking MSME Registration of Vendors. Till date company has received some of the confirmations on that and Company have classify them Under MSME vendor. In the absence of information and Confirmation, vendors are classified under Non-MSME Trade Payables

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

Note No: - 3.5.1 Trade Payables ageing schedule: As at 31st March,2022

(Figures in lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	160.89	-	-	-	160.89
(ii) Others	6,438.61	50.61	7.47	-	6,496.68
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note No: - 3.5.1 Trade Payables ageing schedule: As at 31st March, 2021

(Figures in lakh)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	4,737.04	25.58	-	-	4,762.63
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Note No: - 3.6 Other Current Liabilities

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Duties & Taxes:		
CGST	-	-
IGST	-	-
SGST	-	-
GST Payable	62.87	21.97
Current Maturities of Long Term Debts		
PNB Term Loan	-	61.98
Other Current Liabilities		
Provident Fund	0.08	0.18
Professional tax payable	0.04	0.06
Advance from Debtors	-	90.68
Total	62.99	174.87

Note No: - 3.7 Short Term Provisions

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Audit Fees Payable	2.25	3.31
Electric Expense Payable	-	0.37
Market fees payable	2.33	2.33
Rate Difference Payable	-	-
Rent Payable	-	0.23
Custom and Clearance payable*	-	474.90
Marketing Expense Payable	-	112.15
Brokerage Local Payable	-	221.38
Income tax payable	173.69	140.00
Sales related allowances payable*	-	1,257.09
Statutory Dues Payable	42.50	36.90
Quality Allowance Payable*	119.32	-
Weight Shortage Payable*	102.09	-
Brokerage Charges Payable	99.88	-
Total	542.06	2,248.66

* Provisions are created for the shipments which are received as on 31-03-2022

Note No: - 3.8.1 Property, Plants and Equipments

(Figures in lakh)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at April 1, 2021	Addition during the year	Ded/ Adj during the year	As at March 31, 2022	Upto March 31, 2021	For the Period	Ded/Adj during the year	Effect on Deprn as per Co. Act, 2013	Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer & Printer	4.35	10.56	-	14.91	3.87	4.89	-	-	8.76	6.15	1.86
Electrification	20.77	-	-	20.77	11.80	1.62	-	-	13.43	7.34	8.96
Factory & Building	113.16	0.62	-	113.79	41.09	6.87	-	-	47.96	65.83	72.08
Land	86.21	-	-	86.21	-	-	-	-	-	86.21	86.21
Plant & Machinery	277.93	20.78	-	298.71	153.50	24.79	-	-	178.29	120.42	124.43
Motor Vehicles	43.97	11.07	-	55.04	26.12	7.06	-	-	33.18	21.86	17.85
Furniture	9.08	4.07	-	13.15	4.58	1.79	-	-	6.37	6.78	4.50
Office Equipments	9.69	1.25	-	10.94	4.75	2.22	-	-	6.97	3.97	4.94
Total:	565.16	48.35	-	613.51	245.71	49.24	-	-	294.95	318.56	320.83

Note No: - 3.8.2 Intangible Assets

(Figures in lakh)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at April 1, 2021	Addition during the year	Ded/Adj during the year	As at March 31, 2022	Upto March 31, 2021	For the Period	Ded/Adj during the year	Effect on Deprn as per Co. Act, 2013	Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	3.58	-	-	3.58	2.20	0.36	-	-	2.56	1.02	1.38
Total:	3.58	-	-	3.58	2.20	0.36	-	-	2.56	1.02	1.38

Notes

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

Note No: - 3.9 Deferred Tax Assets

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets	1.48	-
Total	1.48	-

Note No: - 3.10 Inventories

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Bales	404.08	799.52
Kapas	24.23	-
Kapasiya	-	1.33
Yarn	13.85	-
Khol	34.21	-
Total	476.37	800.84

Note No: - 3.11 Trade Receivables

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding for less than 6 months from the due date		
Unsecured, Considered Good	7,310.61	7,107.30
Forward Contract Receivable	31.66	-
Outstanding for more than 6 months from the due date	-	-
Total	7,342.27	7,107.30

Notes

- Balance of Trade receivable are subject to confirmations and Unsecured; considered good
- 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: - 3.11.2 Trade Receivable Ageing Schedule: As at 31st March, 2022

(Figures in lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,281.80	46.01	14.02	0.44	-	7,342.27
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Note: similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction. Unbilled dues shall be disclosed separately;

Note No: - 3.11.2 Trade Receivable Ageing Schedule: As at 31st March, 2021

(Figures in lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,106.83	0.05	0.43	-	-	7,107.30
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Note No: - 3.12 Cash and Cash Equivalents

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Bank		
In Current Accounts	24.63	642.25
In Deposit Accounts	315.02	335.89
Cash On hand	14.19	9.84
Total	353.84	987.98

Note No: - 3.13 Short Term Loans and Advances

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans & Advances:		
Advance to Creditors	1,655.90	580.91
Total	1,655.90	580.91

Note No: - 3.14 Other Current Assets

(Figures in lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Government Authorities	4.00	(32.32)
RodTEP Incentive Receivable	286.59	-
Duty Drawback Receivable	39.22	46.14
FD Interest Receivable	0.98	0.72
GST Refund Receivable	129.31	823.74
GST Receivable	193.46	-
GST Subsidy Receivable	17.33	24.52
Interest Equalization Receivable	-	7.25
Interest on GEB Deposit Receivable	-	0.12
Prepaid Expense	3.94	5.63
TDS Receivable	-	35.37
Advance for Premises	50.00	-
Deposits:		
GEB Deposit	14.27	13.63
Rent Deposit	21.78	0.44
Total	760.88	925.24

Note No: - 3.15 Contingent Liabilities

(Figures in lakh)

Particulars	Current Period	Previous Period
Discounted Trade Receivable with bank	-	3,940.89
Total	-	3,940.89

Note No: - 3.16 Revenue from Operations

(Figures in lakh)

Particulars	Current Period	Previous year
Sales Revenue		
Bales Sales Domestic	54,084.80	17,467.63
Bales Sales Export	25,389.69	41,333.57
Less: Sales Return	(144.50)	-
Shankar Kapasia	333.82	2,199.59
Shankar Kapas	-	18.71
Gray Cloth	-	2.00
Organic Premium	61.47	26.45
Wash Oil Tax Sale	-	40.22
	79,725.28	61,088.16
Other Operating Revenue		
Brokerage Income	1,230.07	17.00
Duty Drawback income	121.59	203.06
Forex Gain	494.81	392.69
Forward Contract Discount	19.95	-
Interest Equalization income	52.57	111.28
Profit on Cotton Trading	-	-
Settlement Income	326.65	-
BCI Charges	21.80	40.38
Certification Income	-	26.73
Late Lifting Charges	0.45	-
Rate Difference	2.50	-
RodTEP Income	286.59	-
	2,556.98	791.14
Total	82,282.26	61,879.29

Note No: - 3.17 Other Income

(Figures in lakh)

Particulars	Current Period	Previous year
FD Interest	63.92	13.10
Interest Income	39.95	-
Interest on GEB Deposit	1.27	0.77
Forward Contract Cancellation Gain	23.78	0.48
Machine Rent Income	-	0.45
Quality Allowance Income	449.66	-
Discount	71.73	-
Weight Shortage on Purchase	14.51	-
Freight Rate Difference	3.91	-
Miscellaneous Income	6.62	-
Total	675.36	14.80

Note No: - 3.18 Cost of Materials Consumed

(Figures in lakh)

Particulars	Current Period	Previous year
Opening Stock:		
Raw material	-	-
Add: - Purchase (Net)	1,350.98	5,471.81
Less: - Closing Stock		
Raw material	24.23	-
Total	1,326.75	5,471.81

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

(Figures in lakh)

Particulars	Current Period	Previous year
Bales	74,324.04	46,966.70
Kapasiya	44.99	387.40
Yarn	71.48	-
Khol	34.21	-
	-	-
Total	74,474.72	47,354.09

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

(Figures in lakh)

Particulars	Current Period	Previous year
Opening Balance		
Bales	799.52	410.87
Kapasiya	1.33	129.81
Yarn	-	-
Khol	-	-
	800.84	540.68
Less: Closing Balance		
Bales	404.08	799.52
Kapasiya	-	1.33
Yarn	13.85	-
Khol	34.21	-
	452.14	800.84
Total	348.70	(260.16)

Note No: - 3.21 Manufacturing Expense

(Figures in lakh)

Particulars	Current Period	Previous year
Power expense	9.82	43.65
Labour Charges	11.50	-
Total	21.32	43.65

Note No: - 3.22 Employee Benefits

(Figures in lakh)

Particulars	Current Period	Previous year
Bonus Exp.	-	3.08
Directors Remuneration	87.00	72.00
Incentive Expenses	1.93	-
Employee Salary	120.90	119.78
Provident Fund Contribution	0.58	0.76
Total	210.41	195.62

Note No: - 3.23 Finance Costs

(Figures in lakh)

Particulars	Current Period	Previous year
Bank Charges	5.62	18.70
Interest on CC	27.07	75.24
Interest on Car Loan	-	-
Interest on Unsecured Loan	-	20.98
Interest on Covid Loan	7.05	4.82
Interest on LC Discounting	92.40	195.98
Interest A/c	33.33	11.04
Interest on term Loan	-	2.38
Interest SARAFI	2.62	-
Total	168.10	329.09

Note No: - 3.24 Other Expense

(Figures in lakh)

Particulars	Current Period	Previous year
DIRECT EXP:		
Ginning and Pressing Expense	8.93	363.61
Kapasia Kharajat Expense	-	0.17
Market Fees Expense	-	0.80
Packing Material	-	32.98
Sales allowances and Discounts	500.37	1,406.50
Stores, Spares and Consumables	15.67	63.83
Certification Charges	75.00	-
Other Purchases	-	32.50
	599.97	1,900.39
INDIRECT EXP:		
Audit Fees	11.27	3.50
Brokerage Exp.	1,136.24	1,818.79
Canteen and Food Expenses	-	3.89
Carring Charges	14.68	4.05
Computer Repairing Exp.	0.62	0.17
Custom Clearing Charges	1,020.33	1,764.34
Handling & Forwarding Charges	228.06	816.53
Donation	1.99	0.02
CSR Expenditure	5.50	-
Fire Wooden Exp.	0.35	1.08
Foreign Exchange Charges	4.32	-
Godown Charges	5.13	3.77
GST Expense	(6.54)	8.37
Inspection Fees	33.09	127.45
Insurance Expenses	24.06	27.96
Office Expense	4.93	1.62
Petrol and diesel expense	9.37	23.41
Postage and Courier Exp.	2.44	3.18
Professional and Consultancy Expenses	108.17	115.67
Rating Exp.	-	0.35
Registration and Membership Expenses	31.70	5.43
Rent Expense	6.93	37.03
Repairs and Maintenance	4.28	2.57
ROC Fees	12.15	0.09
Sales Promotion Expense	6.91	113.25
Settlement Account	262.64	744.41
Software Development Charges	0.27	1.44
Sponsorship charges	1.00	0.50
Stationery Exp.	6.46	1.16
Sundry Bank Related Expenses	0.01	-
Telephone and Internet Expense	0.56	0.38
Testing Expense	61.69	46.00
Transportation Expense	766.47	571.79
Travelling and Accommodation expense	18.80	5.00
Vatav Kasaf and write off	-	1.17
Interest on Income Tax	1.05	1.55
Medical Expense	0.10	0.46
SME Expense	7.07	4.19
PF Penalty and Damages	-	1.89
Interest on GST	5.67	4.25
Interest on TDS	1.94	0.01
Kapasia Premium Charges	-	2.32
Legal and Stamp Charges	9.99	1.84
License expense	-	0.20
TDS Filing Fees	0.12	-
Tea and Refreshment Expense	3.28	-
Miscellaneous Expense	0.43	0.27
	3,813.52	6,271.32
Total	4,413.49	8,171.71

Note No: - 3.24.1

(Figures in lakh)

Remuneration to Auditors	Current Period	Previous year
Audit Fees	2.50	3.50
Total	2.50	3.50

Note No: - 3.25

Earning per share	Year ended March 31, 2022	Year ended March 31, 2021
Profit After tax	1,453.83	373.36
Weighted average number of equity share in	196.56	131.04
Calculated basic EPS	7.40	2.85
Nominal value of basic equity share	10.00	10.00
Basic earning per share of Rs.	7.40	1.90
Diluted earning per share of Rs.	7.40	1.90

Note No: - 3.26 Related parties and their relationship

(1) Related parties their relationship		
(a)	Subsidiary/associate/joint venture	
	Name of entity	Type
(b)	Key management personnel & relatives	
	(i) Name of Management personnel	Type
	Kushal Patel	Director
	Nitin Patel	Director
	Geetaben Patel	Director
	(ii) Name of relative	
	Pooja Patel	Relative of KMP
(c)	Entities controlled by Directors/Relatives of directors	Relation
	Nam of entities	
	Amitbhai Govindbhai Patel	Relative of KMP
	Axita Exports Private Limited	Common Directors
	Aditya Oil Industries Limited	Director is Relative of KMP
	Axita Industries Private Limited	Common Directors
	Ng Organics Private Limited	Common Directors
	Avanit Exim Private Limited	Director is Relative of KMP
	Amit Provision Store (Sole Proprietorship)	Owner is Relative of KMP
	Pooja Enterprise (Sole Proprietorship)	Relative of KMP
	Shreenathji Enterprise (Sole Proprietorship)	Relative of KMP
	Abheek Organic Farm & Exports (Partnership Firm)	Partner is Relative of KMP
	Ag Textile Industries (Partnership Firm)	Partner is Relative of KMP

(2) Transaction with related parties

(Figures in lakh)

Particular	Year ended March 31, 2022	Year ended March 31, 2021
Purchase of Assets - Land, Building, Plant & Machinery	-	-
Vehicle, Computers & Intangible Assets	-	-
Sales of Assets/Others	-	-
Rendering Services	-	-
Interest Expense	2.36	-
Receipt of Service	-	-
Purchase of Raw Material	-	1,956.82
Sale of Raw Material	-	6,545.27
Purchase of Cotton Bales	4,780.46	-
Sale of Cotton Bales	2,488.53	3,070.04
Reimbursement of Expenses	2.03	-
Share of Profit/(Loss) From Partnership Firm	-	-
Director's Sitting Fees Paid	-	-
Remuneration	129.22	70.48
Investment In Equity of Subsidiary	-	-
Office expenses (like petty items)	0.65	-
Loan Given	60.40	147.04
Loan Repaid	174.55	237.16

(3) Outstanding balance arising from sales/purchase of goods/services with related parties

(Figures in lakh)

Particular	Year ended March 31, 2022	Year ended March 31, 2021
Investment	-	-
Loans	-	114.15
Trade payable	1,772.51	100.00
Other financial assets (Interest receivable)	-	-
Remuneration	-	-

Note No: - 3.27 Particulars related to Corporate Social Responsibility

Amount required to spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of year	Total of previous years shortfall	Reason for shortfall	Nature of CSR Activity	Details of related party transaction Details of movements in the provision during the year
4.45	5.50	0	0	NA	Contribution for Schedule VII activities	NA

Note No: - 3.28 Utilisation of Borrowed Funds and Share Premium

During the year, no funds have been advanced or loaned or invested from share premium by the Company to or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note No: - 3.29 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.

Note No: - 3.30 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.

Note No: - 3.31 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:

- (a) Those which provide further evidence of conditions that existed at the balance sheet date; and
- (b) 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.

Note No: - 3.32 Government Grants: -

Government Grants are recorded in the books as per AS 12. Total Government Grants recorded in the books of accounts are mentioned in the table attached below: -

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Details of government grants		
- Duty drawback (recognised under Other operating revenues)	121.59	203.06
- RoDTEP (Receivable)	286.59	
- Other incentives	-	-

Note No: - 3.34 RodTEP: -

RodTEP has been recorded based on the market rate of the scrip.

Note No: - 3.35 Earnings Per Share

(Figures in lakh)

Particular	Year ended March 31 st , 2022	Year ended March 31 st , 2021
Net Profit as per Profit and Loss Statement	1453.83	373.36
Weighted Average Number of Equity Shares*	196.56	131.04
Nominal Value Per Share	10.00	10.00
Basic EPS	7.40	1.90
Diluted EPS	7.40	1.90

* The weighted average number of equity shares for calculation of EPS for the year 2021-22

47. 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-2021	Opening balance of outstanding equity shares	131.04	365	131.04
2	13-Jan-2021	Bonus Shares Issued	65.52	365**	65.52
3	31-Mar-2022	Closing Balance of outstanding equity shares			196.56

** As per "AS 20- Earning Per Share" in case of Bonus issue weighted average calculated as they had been in issue for the entire year.

Note No: - 3.36 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.

Note No: - 3.37 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 provided by the management. 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

Note No: - 3.38 Deferred Tax Assets/Liability

The component of Deferred Tax Assets/Liability provided as on March 31st, 2022, is as under:

Particulars	As at 31 st Mar 22	As at 31 st Mar 21
Opening Deferred Tax Assets/ (Liability)	(21.03)	9.13
Add/(Less): Deferred Tax Assets/(Liability) created during the year	22.51	(30.16)
Closing Net Deferred Tax Assets/ (Liability)	1.48	(21.03)

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

Note No: - 3.39 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 ₹1 Lakh.
- b) **Defined Benefit Plan: -**
As per The Payment of Gratuity Act, 1972 Company is required to make Provision for Gratuity on employees for Financial year 2021-22 but company has not created provision for Gratuity , Hence Company has not complied with AS-15 (Revised 2005) "Employee Benefits"

Note No: - 3.40 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 lakh)
Kushal Patel	Director	Remuneration	40.50
Kushal Patel	Director	Reimbursement for Expense	1.13
Nitin Patel	Director	Remuneration	40.50
Nitin Patel	Director	Advance for Expense	0.90
Gitaben Patel	Director	Remuneration	14.09
Gitaben Patel	Relative of Director	Remuneration	3.43
Pooja Patel	Relative of KMP	Remuneration	24.70
Amitbhai Govindbhai Patel	Relative of KMP	Remuneration	6.00
Amitbhai Govindbhai Patel	Relative of KMP	Repayment of Loan	106.13
Amitbhai Govindbhai Patel	Relative of KMP	Interest on loan	2.36
Kushal Patel	Director	Repayment of Loan	38.42
Nitin Patel	Director	Repayment of Loan	30.00
Kushal Patel	Director	Loan Given	34.56
Nitin Patel	Director	Loan Given	25.84
Axita Exports Private Limited	Common Directors	Sale of cotton bales	1,272.53
Aditya Oil Industries Limited	Director is Relative of KMP	Sale of cotton bales	193.90
Aditya Oil Industries Limited	Director is Relative of KMP	Purchase of cotton bales	2,118.05
Axita Industries Private Limited	Common Directors	Sale of cotton bales	9.55
Ng Organics Private Limited	Common Directors	Sale of cotton bales	97.15
Avant Exim Private Limited	Director is Relative of KMP	purchase of cotton bales	505.01
Amit Provision Store (Sole Proprietorship)	Owner is Relative of KMP	office expenses (like petty items]	0.65
Shreenathji Enterprise (Sole Proprietorship)	Relative of KMP	Sale of cotton bales	915.38
Shreenathji Enterprise (Sole Proprietorship)	Relative of KMP	Purchase of cotton bales	1,174.46
Abheek Organic Farm & Exports (Partnership Firm)	Partner is Relative of KMP	Purchase of cotton bales	490.32
AG Textile Industries (Partnership Firm)	Partner is Relative of KMP	Purchase of cotton bales	492.62

Note No: - 3.41 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 ₹129.30 Lakhs (IGST, CGST and SGST) relating to F.Y. 2021-22 as per declaration given by Management.

Note No: - 33.42 Analytical Ratio

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.46	1.23	18.70%	-
Debt - Equity Ratio (in times)	Total debt	Shareholder's Equity	0	0.6	(100.00%)	Due to Repayment of all Loans.
Debt Service Coverage Ratio (in times)	Earnings available for debt service	Debt Service	1.11	1.50	(26.00%)	Prepayment of all loans.
Return on Equity Ratio (in %)	Net Profit after taxes - preference dividend (if any)	Avg. Shareholders' Equity	49.88%	18.71%	166.60%	As there is positive growth in our Net Profit that's the reason Return of Equity Positively affected.
Inventory Turnover Ratio (in times)	Cost of Goods sold	Average Inventory	10.54	9.40	12.13%	-
Trade Receivables Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	119.40	94.43	26.45%	Due adequate credit policies company's efficiency of accounts receivable's collection increased.
Trade Payables Turnover Ratio (in times)	Net credit purchase	Average Trade Payables	13.21	14.06	(6.05%)	-
Net Capital Turnover Ratio (in times)	Revenue from Operations	Net Working Capital = Current Assets- Current Liabilities	24.07	30.99	(22.33%)	-
Net Profit Ratio (in %)	Net Profit	Revenue from Operations	1.77%	0.60%	195.00%	Due to significant changes in the Revenue from Other Income and also increase in revenue from main stream operations
Return on Capital Employed (in %)	EBIT	Capital Employed	0.39%	0.37%	5.41%	-
Return of Investment (in %)	Income Generated from Investment Funds	Average Invested funds	Not Applicable as such there is no kind of investment in our Company			

Note No: - 3.43 Foreign Exchange Earnings & Expenditure:

i). Details of Foreign Exchange Earnings:

(Figures in lakh)

Sr. No.	Particulars	F.Y 2021-22	F.Y 2020-21
1.	Foreign Exchange Earnings*	25,389.69	41,333.57

ii). Details of Foreign Exchange Expenditure:

(Figures in lakh)

Sr. No.	Particulars	F.Y 2021-22	F.Y 2020-21
1.	Foreign Exchange Outgo*	1258.08	1,701.85

*Amount derived based on export of the Company

For Mistry & Shah LLP
Chartered Accountants
FRN: W100683

For and on Behalf of the Board
Axita Cotton Limited

Malav Shah
Partner
M. No. 117101
UDIN: 22117101AHUBZJ3075

Kushal Patel
Managing Director
DIN: 06626639

Gitaben Patel
Whole Time Director
DIN: 09211543

Harsh Shah
CFO

Deepak Chaubisa
CS
M. No.: A45536

Place: Ahmedabad
Date: 25/04/2022

Place: Kadi, Mehsana

NOTICE OF THE 9TH (NINTH) ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 9th (Ninth) Annual General Meeting (AGM) of the Members of **AXITA COTTON LIMITED** will be held on Tuesday, September 27, 2022 at 03:15 p.m. 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 March 31, 2022 and the Reports of the Board of Directors and the Reports of the Auditors thereon by passing the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022 and the Reports of the Board of Directors and the Reports of the Auditors thereon be and are hereby received, considered and adopted."

2. DECLARATION OF FINAL DIVIDEND:

To declare Final Dividend on equity shares for the financial year ended on March 31, 2022 and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT a Final dividend of ₹ 0.50/- per Equity Shares on 1,96,56,000 Equity Shares of ₹ 10 each fully paid-up of the Company as recommended by the Board of Directors, be and is hereby declared out of the profits of the Company for the Financial Year ended on March 31, 2022."

3. 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 (holding DIN: 06626639), who retires by rotation and being eligible, offers himself for 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 Chairman Cum 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:

4. APPOINTMENT OF MS. APEKSHA SANJAYKUMAR VYAS (DIN: 09469295) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with, the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Rules made thereunder, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any other Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Apeksha Sanjaykumar Vyas (DIN : 09469295) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be appointed as an Independent Director, not liable to retire by rotation and to hold office for a term up to June 29, 2027.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. SUB-DIVISION OF EVERY 1 (ONE) EQUITY SHARE OF THE NOMINAL/FACE VALUE OF ₹ 10/- EACH INTO 10 (TEN) EQUITY SHARES OF THE NOMINAL/FACE VALUE OF ₹ 1 /- EACH:

To consider, and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT, pursuant to the provisions of Section 61(1)(d) read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under (including any statutory modifications or re-enactment(s) thereof, for the time being in force), read with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable laws, rules and regulations for the time being in force, if any and prescribed by any relevant authorities from time to time, to the extent applicable and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, required from any competent authority and as approved by the Board of Directors of the Company, approval of the shareholders of the Company be and is hereby accorded to sub-divide the equity shares of the Company such that each equity share having nominal/face value of ₹ 10/- (Rupees Ten Only) be sub-divided into 10 (Ten) Equity Shares having nominal/face value of ₹ 1/- (Rupees One Only) each.

RESOLVED FURTHER THAT, pursuant to the Sub-division of equity shares of the Company, all the Authorized, Issued, Subscribed and Paid-up Equity Shares of the nominal value of ₹ 10/- (Rupees Ten Only) each existing on the Record Date to be fixed by the Board of Directors of the Company, shall stand sub-divided into equity shares of the nominal value of ₹ 1- (Rupees One Only) each, and shall rank pari-passu in all respects with each other and carry the same rights as to the existing fully paid-up equity share of ₹ 10/- (Rupees Ten Only) each of the Company as given below:

Particulars	Pre-Split/ Sub-Division of Equity Shares			Post-Split/ Sub-Division of Equity Shares		
	No. of shares	Face Value (in ₹)	Total (in ₹)	No. of shares	Face Value (in ₹)	Total (in ₹)
Authorized Share Capital	3,00,00,000	10	30,00,00,000	30,00,00,000	1	30,00,00,000
Paid up Share Capital	1,96,56,000	10	19,65,60,000	19,65,60,000	1	19,65,60,000
Subscribed Share Capital	1,96,56,000	10	19,65,60,000	19,65,60,000	1	19,65,60,000

RESOLVED FURTHER THAT, upon sub-division of the equity shares as aforesaid, the number of sub-divided Equity Shares is credited to the respective beneficiary accounts of the shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares before subdivision.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for removal of any doubts or difficulties, the Board or any Committee thereof be and is hereby authorized to do, perform and execute all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, expedient, usual or proper and to settle any question or doubts that may arise in this regard at any stage at the time of sub-division of shares, including but not limited to fixing record date, without requiring the Board or any Committee thereof to secure any further consent or approval of the members of the Company to that end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution, or as the Board or any Committee thereof in its absolute discretion may think fit and its decision shall be final and binding on all members and other interested persons and further to do all acts connected herewith or incidental hereto including but not limited to delegation of their powers to such person or persons as may be deemed expedient and the members hereby ratify and adopt all such decision, action, etc. as had been taken or undertaken by the Board or any Committee thereof in this regard.

RESOLVED FURTHER THAT, Mr. Nitinbhai Govindbhai Patel, Chairman Cum Managing Director or Mr. Kushal Nitinbhai Patel, Managing Director of the Company be and are hereby severally authorized to (a) delegate execution and filing of necessary applications, declarations and other documents with stock exchanges, depositories, Registrar and Transfer Agents and/or any other statutory authority(ies), if any; (b) settle any question or difficulty that may arise with regard to the sub-division of the Shares as aforesaid or for any matters connected herewith or incidental hereto; and (c) do all such acts, deeds, things, including all other matters incidental thereto in order to implement the foregoing resolutions."

6. ALTERATION OF CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:

To consider, and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the Section 13, Section 61 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment or re-enactment thereof for the time being in force), and the rules framed thereunder and subject to such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned authorities or bodies, if any, the existing Clause V of the Memorandum of Association of the Company be substituted with the following new clause V:

V. The Authorised Share Capital of the Company is ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of ₹ 1/- (Rupees One Only) each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to sign and file all papers, documents and Forms with the Registrar of Companies, to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Memorandum of Association and to do all acts and deeds to implement the above resolution in this regard."

7. 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 ₹ 400 Crore for the financial year 2022- 23 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."



8. **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 ₹ 400 Crore for the financial year 2022- 23 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.”

9. **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 ₹ 400 Crore for the financial year 2022-23 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.”

10. **APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH AXITA INDUSTRIES 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 Industries 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 ₹ 400 Crore for the financial year 2022-23 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.”

11. **APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH NG ORGANICS 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 NG Organics 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 ₹ 400 Crore for the financial year 2022- 23 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.”

12. **APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH NATURE ORGANIC CERTIFICATION PRIVATE LIMITED (FORMERLY KNOWN AS AVANIT EXIM 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 Nature Organic Certification Private Limited (Formerly Known As Avanit Exim 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 ₹ 400 Crore for the financial year 2022- 23 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."

13. **APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH ABHEEK ORGANIC FARM & EXPORTS:**

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 Abheek Organic Farm & Exports, 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 ₹ 400 Crore for the financial year 2022- 23 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."

14. **APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH AG TEXTILE INDUSTRIES:**

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 AG Textile Industries, 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 ₹ 400 Crore for the financial year 2022- 23 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."

15. **APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH NATURE ORGANIC FARMS:**

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 Nature Organic Farms, 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 ₹ 400 Crore for the financial year 2022- 23 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."



16. **APPOINTMENT OF MR. DIXIT DIPAKKUMAR SHAH (DIN: 07826994) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** in accordance with, the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Rules made thereunder, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any other Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Dixit Dipakkumar Shah (DIN: 07826994) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be appointed as an Independent Director, not liable to retire by rotation and to hold office for a term up to August 21, 2027.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered office:
Survey 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 22, 2022
Place: Kadi, Mahesana

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular No. 02/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Body Corporates whose Authorised Representatives are intending to attend the Meeting are requested to send to the Company on the E-mail cs@axitacotton.com, certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through e-voting.
4. 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 Cut-off date i.e. September 20, 2022 shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of this Annual General Meeting (AGM). Any recipient of the Notice, who has no voting rights as on Cut-off date, shall treat this Notice as intimation only.
5. 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 scsandcollp@gmail.com with copies marked to the Company at cs@axitacotton.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.co.in.
6. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a pre-requisite and pursuant to General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 02/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs followed by General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021, physical attendance of the Members is not required. Hence, Members will have to attend and participate in the ensuing AGM through VC / OAVM.

7. 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:
- 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
 - 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
 - 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 in by due procedure.
- 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.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. 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 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
10. Instructions and other information for members for attending the AGM through VC / OAVM are given in this Notice under Note No. 31.
11. 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.
12. As the AGM of the Company is held through VC / OAVM, we therefore request the Members to register themselves as speaker by sending their question / express their views from their registered E-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at E-mail Id cs@axitacotton.com before September 20, 2022. The Members who have registered themselves as speaker will only be allowed to ask queries / express their views during the AGM. The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.
13. Relevant Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013 read with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), in respect of Special Business items i.e. item nos. 4 to 16 as set out above is annexed hereto.
14. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names are requested to send share certificates to Registrar & Share Transfer Agent of the Company, for consolidation into a single folio.
- NOTE: OUR 100% EQUITY SHARES ARE DEMAT MODE.**
15. To support the 'Green Initiative', we request the Members of the Company to register their E-mail Ids with their DP or with the Share Transfer Agent of the Company, to receive documents / notices electronically from the Company in lieu of physical copies. Please note that, in case you have already registered your E-mail Id, you are not required to re-register unless there is any change in your E-mail Id. Members holding shares in physical form are requested to send E-mail at cs@axitacotton.com to update their E-mail Ids.
16. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission / transposition and deletion of name of deceased holder Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agent of the Company i.e. Link Intime India Private Limited.
17. The information regarding the Director(s) who is / are proposed to be re-appointed, as required to be provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued, is annexed hereto.
18. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 31.
19. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.
20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at <https://axitacotton.com/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

21. The Annual Report along with the Notice of AGM will be available on Company's website on www.axitacotton.com.
22. Members of the Company holding shares either in physical form or in dematerialised form as on Benpos date i.e. August 26, 2022 will receive Annual Report for the financial year 2021-2022 through electronic mode.
23. As per the MCA General Circular No. 20/2020 dated 5th May, 2020 & General Circular No. 02/2020 dated 13th January, 2021 and General Circular No. 02/2022 dated May 05, 2022 and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 & Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, the Annual Report will be sent through electronic mode to only those Members whose E-mail Ids are registered with the Registrar & Share Transfer Agent of the Company / Depository Participant.
24. Members are requested to notify any changes in their address to the Company's Registrar & Share Transfer Agent, **Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur, Shastri Maarg, Vikhroli (West), Mumbai-400 083, Maharashtra.**
25. Members are requested to quote their Folio No. or DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar & Share Transfer Agent.
26. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
27. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
28. 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 20, 2022 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.
29. 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.
30. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular No. 02/2022 dated May 05, 2022.
31. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**
The remote e-voting period begins on Saturday, September 24, 2022 at 09:00 A.M. and ends on Monday, September 26, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, September 20, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, September 20, 2022.

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: Access to NSDL e-Voting system

(A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the " Beneficial Owner " icon under " Login " which is available under ' IDeAS ' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on " Access to e-Voting " under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com . Select " Register Online for IDeAS Portal " or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and

Type of shareholders	Login Method
	<p>a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?
Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

A new screen will open. You will have to enter your User ID, your Password/OTP 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.*

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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*****.
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*****.
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***

Password details for shareholders other than Individual shareholders are given below:

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

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.

How to retrieve your ‘initial password’?

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’.

If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

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.

Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

Now, you will have to click on “Login” button.

After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 scsandcollp@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
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 to reset the password.
3. 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. 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
2. 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. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
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 . The same will be replied by the company suitably.

INFORMATION ON DIVIDEND:

- i. Subject to approval of the Members at the AGM, the dividend will be paid within 30 days from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date i.e. Tuesday, September 20, 2022, and in respect of the shares held in dematerialized mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

- ii. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. In case the payment of dividend may not be made through electronic mode due to various reason, Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.
- iii. Shareholders are requested to register/ update their complete bank details with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialized mode by submitting the requisite documents.
- iv. Pursuant to the Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020/Income Tax Act, 1961 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/ RTA (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to cs@axitacotton.com by September 20, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF / JPG Format) by e-mail to cs@axitacotton.com. The aforesaid declarations and documents need to be submitted by the shareholders by September 20, 2022.

The Company has fixed Tuesday, September 20, 2022 as the 'Record Date' for determining entitlement of members to receive dividend for the FY 2021-22, if approved at the AGM.

- v. Those members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date shall be entitled for the dividend which will be paid on or before Wednesday, October 26, 2022, subject to applicable TDS.
- vi. Members are requested to note that, dividends if not encashed for a consecutive period of seven (7) years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of which dividends are not encashed for the consecutive period of seven (7) years are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
- vii. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH REGULATION 17 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ON GENERAL MEETING (INCLUDING ANY STATUTORY MODIFICATION(S) OR REENACTMENT THEREOF, FOR THE TIME BEING IN FORCE):

ITEM NO. 4:

APPOINTMENT OF MS. APEKSHA SANJAYKUMAR VYAS (DIN: 09469295) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

The Board of Directors of the Company, based on the recommendation of the Human Resources, Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, had approved the appointment of Ms. Apeksha Sanjaykumar Vyas (DIN : 09469295) as an Additional Director, it is proposed to regularize the appointment of Ms. Apeksha Sanjaykumar Vyas (DIN : 09469295) as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from June 30, 2022.

In accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective January 1, 2022, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) would require the approval of the members of the Company with effect from June 30, 2022.

Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) is qualified to be appointed as a director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a director. The Company has also received declaration from Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) that she meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Listing Regulations.

The Company has also received notice under Section 160 of the Companies Act, 2013 from a shareholder proposing the candidature of Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) for the office of a Director of the Company.

In the opinion of the Board, Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) fulfil the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations. Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) is independent of the management and possesses appropriate skills, experience and knowledge. Considering the extensive knowledge and experience of Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) and her educational qualification, appointment of Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) as an Independent Director is in the interest of the Company. In the opinion of the Nomination and Remuneration Committee and the Board, the appointment of Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) would be beneficial to the Company considering her vast experience.

Details of Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) are provided in the "Annexure to The Explanatory Statement" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

Copy of the letter of appointment of Ms. Apeksha Sanjaykumar Vyas (DIN: 09469295) setting out the terms and conditions of appointment shall be available for inspection by the members electronically. Members seeking to inspect the same can send an email to cs@axitacotton.com.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company. None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

ITEM NO. 5:

SUB-DIVISION OF EVERY 1 (ONE) EQUITY SHARE OF THE NOMINAL/FACE VALUE OF ₹ 10/- EACH INTO 10 (TEN) EQUITY SHARES OF THE NOMINAL/FACE VALUE OF ₹ 1/- EACH

Equity shares of the Company are listed and are being traded on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). In order to improve the liquidity of the Company's share and to make it more affordable for small investors as also to broaden the small investors base, the Board of Directors of the Company, at its meeting held on August 12, 2022 has recommended to sub-divide (split) the nominal/face value of each Equity Share having a present face value ₹ 10/- (Rupees Ten Only) each into 10 (Ten) Equity Shares of face value ₹ 1/- (Rupees One Only) each, subject to the approval of the Members. Article 67 of the Articles of Association of the Company permits sub-division of shares, subject to the approval of Members.

Upon approval of the shareholders for sub-division of equity shares, the sub-divided equity shares will be directly credited to the shareholder's demat account on the record date in lieu of their existing equity shares.

Accordingly, the Board recommends passing of the Resolution set out in Item No. 5 of the accompanying Notice as to an Ordinary Resolution.

Pursuant to Section 102 of Companies Act, 2013, the Board of Directors of the Company do and hereby confirm that none of its Directors, Key Managerial Personnel and relatives thereof are interested, financially or otherwise, in the aforesaid resolution, except to the extent of their respective shareholding, if any, in the Company.

ITEM NO. 6:

ALTERATION OF CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY:

The proposed Sub-division of the 1 (One) equity share of the face value of ₹ 10/- (Rupees Ten only) each into 10 (Ten) equity shares of the face value of ₹ 1/- (Rupees One Only) each requires amendment in the capital clause of the Memorandum of Association of the Company.

Accordingly, Clause V of the Memorandum of Association of the Company is proposed to be amended as set out in Agenda Item No. 6 of the accompanying Notice reflecting the corresponding changes in the Authorized Share Capital of the Company, consequent to the proposed sub-division of shares from ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 3,00,00,000 Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 Equity Shares of ₹ 1/- (Rupees One Only) each.

Accordingly, the Board recommends passing of the Resolution set out in Item No. 6 of the accompanying Notice as a Special Resolution.

Pursuant to Section 102 of Companies Act, 2013, the Board of Directors of the Company do and hereby confirm that none of its Directors, Key Managerial Personnel and relatives thereof are interested, financially or otherwise, in the aforesaid resolution.

A copy of the Memorandum and Articles of Association of the Company and any other documents referred to in this notice and in the explanatory statement shall be available electronically for inspection by the Members. Members seeking to inspect such documents can send an e-mail to cs@axitacotton.com.

ITEM NO. 7:

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 2022-23

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 2022-23.

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.	Nature of Relationship	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited as well as Axita Exports Private Limited. Mr. Kushal Nitinbhai Patel holds 5995572 number of Equity Shares in Axita Cotton Limited and holds 152000 number of Equity Shares in Axita Exports Private Limited Mr. Nitinbhai Govindbhai Patel is Promoter & Chairman Cum Managing Director of Axita Cotton Limited and Promoter & Managing Director of Axita Exports Private Limited. Mr. Nitinbhai Govindbhai Patel holds 7186500 number (Majority Stake) of Equity Shares in Axita Cotton Limited and holds 98000 number of Equity Shares in Axita Exports Private Limited.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed ₹ 400 Crores in the F.Y. 2022-23 with Axita Exports Private 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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23

Sl.	Particulars	Remarks
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 7 of this Notice as Ordinary Resolution.

ITEM NO. 8:

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 2022-23.

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 2022-23.

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.	Name of Related Parties	Aditya Oil Industries Limited
2.	Name of the Director or KMP who is related	Mr. Kushal Nitinbhai Patel, Mr. Nitinbhai Govindbhai Patel & Mrs. Gitaben Nitinbhai Patel
3.	Nature of Relationship	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited as well as promoter of Aditya Oil Industries Limited. Mr. Kushal Nitinbhai Patel holds 5995572 number of Equity Shares in Axita Cotton Limited and holds 1000 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 in Aditya Oil Industries Limited. Mr. Nitinbhai Govindbhai Patel holds 7186500 number (Majority Stake) of Equity Shares in Axita Cotton Limited and holds 1000 number of Equity Shares in Aditya Oil Industries Limited. Mrs. Gitaben Nitinbhai Patel is Promoter Group and Whole Time Director of Axita Cotton Limited and Promoter in Aditya Oil Industries. Mrs. Gitaben Nitinbhai Patel holds 678528 number of Equity Shares in Axita Cotton Limited and holds 1000 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 ₹ 400 Crores in the F.Y. 2022-23 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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 8 of this Notice as Ordinary Resolution.

ITEM NO. 9:

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 2022-23

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 2022-23.

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. Gitaben Nitinbhai Patel)
2.	Name of the Director or KMP who is related	Mrs. Gitaben Nitinbhai Patel
3.	Nature of Relationship	Mrs. Gitaben Nitinbhai Patel is Promoter & Whole-Time Director of Axita Cotton Limited & Sole Proprietor of Shreenathji Enterprise. Mrs. Gitaben Nitinbhai Patel holds 678528 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 ₹ 400 Crores in the F.Y. 2022-23 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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 9 of this Notice as Ordinary Resolution

ITEM NO. 10:

APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH AXITA INDUSTRIES 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 Industries 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 Industries Private Limited is likely to exceed the said threshold limit during the financial year 2022-23

Accordingly, transaction(s) entered with Axita Industries 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 Industries Private Limited in the financial year 2022-23.

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 Industries Private Limited are as follows:

Sl.	Particulars	Remarks
1.	Name of Related Parties	Axita Industries Private Limited
2.	Name of the Director or KMP who is related	Mr. Kushal Nitinbhai Patel & Mr. Nitinbhai Govindbhai Patel
3.	Nature of Relationship	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited as well as Promoter & Director of Axita Industries Private Limited. Mr. Kushal Nitinbhai Patel holds 5995572 number of Equity Shares in Axita Cotton Limited and holds 5000 number of Equity Shares in Axita Industries Private Limited. Mr. Nitinbhai Govindbhai Patel is Promoter & Chairman cum Managing Director of Axita Cotton Limited as well as Promoter & Managing Director in Axita Industries Private Limited. Mr. Nitinbhai Govindbhai Patel holds 7186500 number (Majority Stake) of Equity Shares in Axita Cotton Limited and holds 5000 number of Equity Shares in Axita Industries Private Limited.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed ₹ 400 Crores in the F.Y. 2022-23 with Axita Industries Private 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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 10 of this Notice as Ordinary Resolution

ITEM NO. 11:

APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH NG ORGANICS 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

NG Organics 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 NG Organics Private Limited is likely to exceed the said threshold limit during the financial year 2022-23.

Accordingly, transaction(s) entered with NG Organics 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 NG Organics Private Limited in the financial year 2022-23.

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 NG Organics Private Limited are as follows:

Sl.	Particulars	Remarks
1.	Name of Related Parties	NG Organics Private Limited
2.	Name of the Director or KMP who is related	Mr. Kushal Nitinbhai Patel & Mr. Nitinbhai Govindbhai Patel
3.	Nature of Relationship	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited as well as Promoter & Director of NG Organics Private Limited. Mr. Kushal Nitinbhai Patel holds 5995572 number of Equity Shares in Axita Cotton Limited and holds 25000 number of Equity Shares in NG Organics Private Limited. Mr. Nitinbhai Govindbhai Patel is Promoter & Chairman cum Managing Director of Axita Cotton Limited as well as Promoter & Director in NG Organics Private Limited. Mr. Nitinbhai Govindbhai Patel holds 7186500 number (Majority Stake) of Equity Shares in Axita Cotton Limited and holds 25000 number of Equity Shares in NG Organics Private Limited.

4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed ₹ 400 Crores in the F.Y. 2022-23 with NG Organics Private 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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 11 of this Notice as Ordinary Resolution.

ITEM NO. 12:

APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH NATURE ORGANIC CERTIFICATION PRIVATE LIMITED (FORMERLY KNOWN AS AVANIT EXIM 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

Nature Organic Certification Private Limited (Formerly Known as Avanit Exim 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 Nature Organic Certification Private Limited (Formerly Known as Avanit Exim Private Limited) is likely to exceed the said threshold limit during the financial year 2022-23.

Accordingly, transaction(s) entered with Nature Organic Certification Private Limited (Formerly Known as Avanit Exim 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 Nature Organic Certification Private Limited (Formerly Known as Avanit Exim Private Limited) in the financial year 2022-23.

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 Nature Organic Certification Private Limited (Formerly Known as Avanit Exim Private Limited) are as follows:

Sl.	Particulars	Remarks
1.	Name of Related Parties	Nature Organic Certification Private Limited (Formerly Known as Avanit Exim Private Limited)
2.	Name of the Director or KMP who is related	Mr. Nitinbhai Govindbhai Patel
3.	Nature of Relationship	Mr. Amitkumar Govindbhai Patel is Promoter & director of Nature Organic Certification Private Limited (Formerly Known as Avanit Exim Private Limited). He is brother of Mr. Nitinbhai Govindbhai Patel, Chairman Cum Managing Director of Axita Cotton Limited.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed ₹ 400 Crores in the F.Y. 2022-23 with Nature Organic Certification Private Limited (Formerly Known as Avanit Exim Private 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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 12 of this Notice as Ordinary Resolution.

ITEM NO. 13:

APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH ABHEEK ORGANIC FARM & EXPORTS:

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

Abheek Organic Farm & Exports 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 Abheek Organic Farm & Exports is likely to exceed the said threshold limit during the financial year 2022-23.

Accordingly, transaction(s) entered with Abheek Organic Farm & Exports 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 Abheek Organic Farm & Exports in the financial year 2022-23.

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 Abheek Organic Farm & Exports are as follows:

Sl.	Particulars	Remarks
1.	Name of Related Parties	Abheek Organic Farm & Exports
2.	Name of the Director or KMP who is related	Mr. Nitinbhai Govindbhai Patel
3.	Nature of Relationship	Mr. Amitkumar Govindbhai Patel is Partner of Abheek Organic Farm & Exports. He is brother of Mr. Nitinbhai Govindbhai Patel, Chairman Cum Managing Director of Axita Cotton Limited.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed ₹ 400 Crores in the F.Y. 2022-23 with Abheek Organic Farm & Exports.
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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 13 of this Notice as Ordinary Resolution.

ITEM NO. 14:

APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH AG TEXTILE INDUSTRIES:

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

AG Textile Industries 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 AG Textile Industries is likely to exceed the said threshold limit during the financial year 2022-23.

Accordingly, transaction(s) entered with AG Textile Industries 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 AG Textile Industries in the financial year 2022-23.

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 AG Textile Industries are as follows:

Sl.	Particulars	Remarks
1.	Name of Related Parties	AG Textile Industries
2.	Name of the Director or KMP who is related	Mr. Nitinbhai Govindbhai Patel
3.	Nature of Relationship	Mr. Amitkumar Govindbhai Patel is Partner of AG Textile Industries. He is brother of Mr. Nitinbhai Govindbhai Patel, Chairman Cum Managing Director of Axita Cotton Limited.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed ₹ 400 Crores in the F.Y. 2022-23 with AG Textile Industries.
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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 14 of this Notice as Ordinary Resolution.

ITEM NO. 15:

APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH NATURE ORGANIC FARMS:

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

Nature Organic Farms 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 Nature Organic Farms is likely to exceed the said threshold limit during the financial year 2022-23.

Accordingly, transaction(s) entered with Nature Organic Farms 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 Nature Organic Farms in the financial year 2022-23.

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 Nature Organic Farms are as follows:

Sl.	Particulars	Remarks
1.	Name of Related Parties	Nature Organic Farms
2.	Name of the Director or KMP who is related	Mr. Nitinbhai Govindbhai Patel
3.	Nature of Relationship	Mr. Amitkumar Govindbhai Patel is Partner of Nature Organic Farms. He is brother of Mr. Nitinbhai Govindbhai Patel, Chairman Cum Managing Director of Axita Cotton Limited.
4.	Monetary Value	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed ₹ 400 Crores in the F.Y. 2022-23 with Nature Organic Farms.
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 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.	Any advance paid or received for the contracts/arrangements	As per industry norms customs and usages.
7.	Tenure of contracts/arrangement	F.Y. 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out item no. 15 of this Notice as Ordinary Resolution.

ITEM NO. 16:

APPOINTMENT OF MR. DIXIT DIPAKKUMAR SHAH (DIN: 07826994) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

The Board of Directors of the Company, based on the recommendation of the Human Resources, Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, had approved the appointment of Mr. Dixit Dipakkumar Shah (DIN: 07826994) as an Additional Director, it is proposed to regularize the appointment of Mr. Dixit Dipakkumar Shah (DIN: 07826994) as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from August 22, 2022.

In accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective January 1, 2022, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Dixit Dipakkumar Shah (DIN: 07826994) would require the approval of the members of the Company with effect from August 22, 2022.

Mr. Dixit Dipakkumar Shah (DIN: 07826994) is qualified to be appointed as a director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a director. The Company has also received declaration from Mr. Dixit Dipakkumar Shah (DIN: 07826994) that he meets the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Listing Regulations.

The Company has also received notice under Section 160 of the Companies Act, 2013 from a shareholder proposing the candidature of Mr. Dixit Dipakkumar Shah (DIN: 07826994) for the office of a Director of the Company.

In the opinion of the Board, Mr. Dixit Dipakkumar Shah (DIN: 07826994) fulfil the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations. Mr. Dixit Dipakkumar Shah (DIN: 07826994) is independent of the management and possesses appropriate skills, experience and knowledge. Considering the extensive knowledge and experience of Mr. Dixit Dipakkumar Shah (DIN: 07826994) and his educational qualification, appointment of Mr. Dixit Dipakkumar Shah (DIN: 07826994) as an Independent Director is in the interest of the Company. In the opinion of the Nomination and Remuneration Committee and the Board, the appointment of Mr. Dixit Dipakkumar Shah (DIN: 07826994) would be beneficial to the Company considering his vast experience.

Details of Mr. Dixit Dipakkumar Shah (DIN: 07826994) are provided in the "Annexure to the explanatory statement" to the Notice, pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. he shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.

Copy of the letter of appointment of Mr. Dixit Dipakkumar Shah (DIN: 07826994) setting out the terms and conditions of appointment shall be available for inspection by the members electronically. Members seeking to inspect the same can send an email to cs@axitacotton.com.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company. None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

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

Date: August 22, 2022
Place: Kadi, Mahesana

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

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639

ANNEXURE TO THE EXPLANATORY STATEMENT:

Name of Director	Kushal Nitinbhai Patel
Directors Identification Number (DIN)	06626639
Date of Birth	November 27, 1988
Age	33 Years
Qualification	holds Degree of Bachelor of Pharmacy from Gujarat University.
Nature of his expertise in specific functional areas	Experience of More than 11 years in the family business with respect to production, planning, and sales
Date of first Appointment on the Board of the Company	July 16, 2013
Date of Appointment (at current term)	October 16, 2018
Shareholding in Axita Cotton Limited	5995572 number of Equity Shares
Listed entities form which the person has resigned in the past three years	Nil
Terms and conditions of re-appointment	As per resolution at item no. 3 of this Notice convening 9th Annual General Meeting (AGM) to be held on September 27, 2022.
Remuneration last drawn	40,50,000/- in the financial year 2021-22.
Number of Meetings of the Board attended during the year	7 out of 7 Board Meeting attended during the financial year 2021-22.
List of Directorship held in Listed companies (including this Company)	Axita Cotton Limited
Membership/Chairmanship in Committees of Listed companies as on date	Chairperson of Corporate Social Responsibility Committee
Relationships between Directors inter-se	With Directors & KMP of the Company: Son of our Promoter, Chairman cum Managing Director Mr. Nitinbhai Govindbhai Patel Son of our Promoter Group, Whole-Time Director Mrs. Gitaben Nitinbhai Patel

Name of Director	Apeksha Sanjaykumar Vyas
Directors Identification Number (DIN)	09469295
Date of Birth	March 06, 1995
Age	27 Years
Qualification	Ms. Apeksha Sanjaykumar Vyas is law Graduate and qualified Company Secretary.
Nature of his expertise in specific functional areas	She is Company Secretary by profession and has rich experience in the field of Company Law, Security Laws & Accounting.
Date of first Appointment on the Board of the Company	June 30, 2022
Date of Appointment (at current term)	June 30, 2022
Shareholding in Axita Cotton Limited	Nil
Listed entities form which the person has resigned in the past three years	Nil
Terms and conditions of re-appointment	As per resolution at item no. 4 of this Notice convening 9 th Annual General Meeting (AGM) to be held on September 27, 2022.
Remuneration last drawn	Nil
Number of Meetings of the Board attended during the year	Not Applicable
List of Directorship held in Listed Companies (including this Company)	Axita Cotton Limited - Additional Independent Director Hindprakash Industries Limited - Independent Director Shubhlaxmi Jewel Art Limited - Additional Independent Director
Membership/Chairmanship in Committees of Listed companies as on date	Name of Listed Companies: Axita Cotton Limited Audit Committee – Member Stakeholder Relationship Committee – Member Nomination and Remuneration Committee- Member Name of Listed Companies: Hindprakash Industries Limited Stakeholder Relationship Committee – Chairperson Nomination and Remuneration Committee- Member Name of Listed Companies: Shubhlaxmi Jewel Art Limited Audit Committee – Member Stakeholder Relationship Committee – Member Nomination and Remuneration Committee- Member
Relationships between Directors inter-se	Not related to any Directors & KMP of the Company.

Name of Director	Dixit Dipakkumar Shah
Directors Identification Number (DIN)	07826994
Date of Birth	January 27, 1993
Age	29 Years
Qualification	Mr. Dixit Dipakkumar Shah is Law Graduate and Qualified Company Secretary.
Nature of his expertise in specific functional areas	He is Practicing Company Secretary by profession with a wide knowledge of Companies Act, SEBI Rules & Regulations, FEMA and various other corporate laws.
Date of first Appointment on the Board of the Company	August 22, 2022
Date of Appointment (at current term)	August 22, 2022
Shareholding in Axita Cotton Limited	Nil
Listed entities form which the person has resigned in the past three years	Nil
Terms and conditions of re-appointment	As per resolution at item no. 16 of this Notice convening 9th Annual General Meeting (AGM) to be held on September 27, 2022.
Remuneration last drawn	Nil
Number of Meetings of the Board attended during the year	Not Applicable
List of Directorship held in Listed companies (including this Company)	Axita Cotton Limited
Membership/Chairmanship in Committees of Listed companies as on date	Nil
Relationships between Directors inter-se	Not related to any Directors & KMP of the Company.

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 22, 2022
Place: Kadi, Mahesana

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639



Notes

[Redacted content]





