



AKSHAR SPINTEX LIMITED

Date: 4th September, 2021

To,
The Department of Corporate Services,
BSE Limited
P.J. Tower, Dalal Street,
Mumbai – 400 001.

Ref: BSE Script Code: 541303

Dear Sir/ Madam,

Sub: Annual Report for the Financial Year 2020-21 along with Notice of 8th Annual General Meeting

In terms of requirements of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2020-21 along with Notice of 8th Annual General Meeting. The Company has sent the same through electronic mode to the members who have registered their E-Mail IDs with the Company's R & TA/Depository Participants.


The Annual Report is also available on the Company's Website: www.aksharspintex.in. Further, the AGM Notice is also be available on the Website of National Securities Depositories Limited ("NSDL") at www.evoting.nsdl.com.

Kindly take the same on your record.

Thanking You

Yours Faithfully

For, AKSHAR SPINTEX LIMITED


KISHOR KIKANI
Company Secretary



Regd. Office & Factory : Survey no.102/2, Plot no. 2, At-Haripar, Kalavad - Ranuja Road, Tal. Kalavad, Dist - Jamnagar, Pin - 361013. Gujarat (India).
T : +91 2894 291114 / 5 / 6, +91 94260 84066, E : Aksharspintex@gmail.com, W: Aksharspintex.in

Administrative Office: C-704, The Imperial Heights, 150 feet Ring Road, Opp. Big Bazaar, Rajkot, Gujarat 360005. T : +91 8000 777 671,

CIN : U17291GJ2013PLC075677



AKSHAR SPINTEX LIMITED

CIN:L17291GJ2013PLC075677



“Effectiveness is our Goal
Efficiency is our Strength”

8th Annual Report
for the financial year of

2020-21



We have setup facility
of **2,20,000** square feet.



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ABOUT COMPANY

Akshar Spintex Limited takes immense pride in perceiving its role as the comprehensive architect of every single yarn that produces. It is this demand for perfection that has spurred the growth of an organization and its corporate philosophy

We can proudly say that we are providing one of most essential thing which is necessary for living human. The Company always focuses on providing its best to the customers by optimizes use of available products. Our Management and Team have enabled to maintain continuing customer relations which ensuring repeated order flows. Promoters having rich experience in cotton industry has able to maintain a close relation with its suppliers and tires to strengthen the same.

We firmly believe that those who can furnish clients with the best quality, competitive price and excellent customer services and prompt delivery can only survive in the market.

We have setup facility of 2,20,000 square feets and total 24,480 spindles with annual production 6000 MT in cotton yarn for our count range is 16's to 44's Ne contamination Controlled auto coned carded, semi comed and combed mill with all latest German and Japanese technology machineries. When it comes to quality yarns, we are the industry leader for satisfying customers.

The manufacturing facility of the Company is located at Kalavad, Jamnagar District of Gujarat. The manufacturing facility is located at distance of 250 km from kandla port and is in a Shankar – 6 cotton rich belt. It leads to easily availability of Quality Raw Material at a least cost. Further, skilled Labour are easily available in the locality were the plant of the Company situated, this will help in producing Quality product and maximize the output in production and reduce the wastage.

The company has a long reputation for quality, performance and innovation. Quality of final product is determined with quality of raw material, we take watchful care in the selection of raw material.

The company recognizes its joint responsibility with the Government and the Public to protect environment and is committed to regulate all its activities so as to follow best practicable means for minimizing adverse environmental impact arising out of its operations.

The Board of Directors along with core management team of the company always strives to maximize the value of the Company with the available resources with the Company.

We would like to build the
CUSTOMER SATISFACTORY BUSINESS RELATIONSHIP
with our domestic and international buyers.

WE BELIEVE THAT QUALITY PRODUCTS ARE NOT ONLY BY PROMISES BUT ALSO BY PROVEN RESULTS.

Chairman's Message...



Dear Shareholders,

It brings me immense pleasure to put forth the 8th Annual Report of your Company, Akshar Spintex Limited, for the financial year 2020-21.

On the business front your company performed well in FY 2020-21 despite the dynamic domestic and global macroeconomic challenges. Viewed from a financial lens, your company achieved a 122% increase in profit after tax at Rs 1.24 crore compared to loss of Rs (5.73) crore in the previous year. Your company's revenue for the year stood at Rs 110.88 crore as against Rs 111.09 crore in the previous year recording an overall growth slightly decline. The Company is continuously taking various initiatives to reduce the operational cost, development of new innovative value added products, and exploring new markets to achieve better margins in the future.

While we have always known that each business stands uniquely apart in its thinking, objectives and resources, we believe the timing is opportunity to run them independently. The year gone by is proof of our innovative approach to doing business whether from the point of view strategy, operations or sustainability allows the company to maintain a space and remain competitive in today's ever challenging market place. After considerable thoughts, our sustainable way to move to the next level on product differentiation that will continue to be our backbone to develop market and stay true to Akshar' core purpose by delivering best quality products of cotton yarn and consistently improve quality of our products.

***WE BELIEVE THAT QUALITY PRODUCTS ARE NOT ONLY BY PROMISES BUT
ALSO BY PROVEN RESULTS.***

Your Company's philosophy is to achieve long- term value to serve the best interest of all stakeholder-shareholders, customers, employees, Government and the society.

Covid-19 pandemic has had a more negative impact on activity in the first half year than anticipated but "second half year were a good period for Indian spinning mills because there was a huge shortage of cotton yarn due to last year's lockdown (to tackle Covid) and huge demand for yarn came from domestic and international markets. So, spinning mills performed well. The recovery is projected to be more gradual than previously forecast. The future growth prospects remains highly vulnerable for the coming time as well. However, government and various rating agencies are highly optimistic about India's economy and expects economic growth to remain about 10% during financial year 2021-22.

As I reflect on a uniquely challenging year, one thing is clear, we have all been impacted by COVID-19. My heart goes out to those who are grieving the passing of loved ones, to those who were furloughed or lost their jobs, and to the business owners who have struggled mightily or were forced to shut down. While it has been a tough year for many, I am hopeful that better days are ahead.

I would like to acknowledge the hard work, dedication of our talented employees for their passion and dedication with which they continue to contribute to the culture of excellence. We thank you all for your continued support in our growth. Further also thank you, our investors, for your patience, for showing confidence and trust in management capabilities and guidance thus far and looking forward to the future with optimism and innovation.

As we move forward into our next year, may you and your family stay safe and healthy.

Let's join our hands to create glorious future.

Warm Regards,

Harikrushna S. Chauhan

Chairman cum Whole Time Director

*“Effectiveness is our Goal,
Efficiency is our Strength”*



Corporate Information

- BOARD OF DIRECTORS -



Mr. Harikrushna Shamjibhai Chauhan

Chairman cum Whole time Director
Appointed w.e.f. 08.01.2021

Mr. Amit Vallabhbhai Gadhiya

Managing Director
Appointed w.e.f. 08.01.2021

Mr. Ashok Shukan Bhalala

Executive Director
Resigned w.e.f. 23.08.2021

Mrs. Ilaben Dineshbhai Paghdar

Executive Director

Mr. Nirala Indubhai Joshi

Non-Executive & Independent Director

Mr. Vipul Vallabhbhai Patel

Non-executive & Independent director
Resigned w.e.f. 23.08.2021

Mr. Rohit Bhanjibhai Dobariya

Non-Executive & Independent Director

Mr. Parshotam Lakhabhai Vasoya

Additional Non-Executive & Independent Director
Appointed w.e.f. 23.08.2021

Chief Financial Officer

Mr. Jagdish D. Otradi

E-Mail Id: cfo@aksharspintex.in
(Appointed w.e.f. 16.02.2020)

Company Secretary

Mr. Kishor M. Kikani

E-Mail Id: cs@aksharspintex.in
(Appointed w.e.f. 16.02.2021)

Registered office

Revenue Survey No.102/2 Paiki, Plot No. - 2 Village: Haripar, Ranuja Road,
Tal: Kalavad, Jamnagar – 361013, (Gujarat) India.

Tel. No.: +91 98252 13622

E-mail id: Info@aksharspintex.in, Website: www. aksharspintex.in

Committees

AUDIT COMMITTEE

Mr. Nirala Joshi	- Chairman
Mr. Vipul Patel (Resigned w.e.f. 23.08.2021)	- Member
Mrs. Ilaben Paghdar	- Member
Mr. Parshotam Vasoya (Appointed w.e.f. 23.08.2021)	- Member
Mr. Rohit Dobariya (Appointed w.e.f. 23.08.2021)	- Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Rohit Dobariya	- Chairman
Mr. Nirala Joshi	- Member
Mr. Vipul Patel (Resigned w.e.f. 23.08.2021)	- Member
Mr. Parshotam Vasoya (Appointed w.e.f. 23.08.2021)	- Member

STAKEHOLDER 'S RELATIONSHIP COMMITTEE

Mr. Vipul Patel (Resigned w.e.f. 23.08.2021)	- Chairman
Mr. Harikrushna Chauhan	- Member
Mr. Amit Gadhiya	- Member
Mr. Parshotam Vasoya (Appointed w.e.f. 23.08.2021)	- Chairman

RISK MANAGEMENT COMMITTEE

Mr. Ashok Bhalala (Resigned w.e.f. 23.08.2021)	- Chairman
Mr. Harikrushna Chauhan	- Member
Mr. Amit Gadhiya (Appointed w.e.f. 23.08.2021)	- Chairman
Mrs. Ilaben Paghdar (Appointed w.e.f. 23.08.2021)	- Member

INTERNAL COMPLAINTS COMMITTEE FOR SEXUAL HARASSMENT COMPLAINTS REDRESSAL

Mrs. Ilaben Paghdar	- Chairman
Mr. Ashok Bhalala (Resigned w.e.f. 23.08.2021)	- Member
Mr. Harikrushna Chauhan	- Member
Mr. Amit Gadhiya (Appointed w.e.f. 23.08.2021)	- Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Nirala Joshi	- Chairman
Mr. Amit Gadhiya	- Member
Mr. Harikrushna Chauhan	- Member

STATUTORY AUDITORS

M/s. H.B. Kalaria & Associates
Chartered Accountants, Rajkot.

SECRETARIAL AUDITOR

M/s. Varsha & Associates
Practicing Company Secretaries, Mumbai.

INTERNAL AUDITOR

Mr. Mehulkumar Parmar
Master of Commerce

BANKERS TO THE COMPANY

The South Indian Bank Limited, Rajkot

STOCK EXCHANGE

SME Platform of BSE Limited
25th Floor, P.J. Towers, Dalal Street, Fort Mumbai-400001, (Maharashtra) India.
Website: www.bseindia.com

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED
A/802, Samudra Complex, Near Klassic Gold Hotel, Girish Cold Drinks,
Off: C. G. Road, Ahmedabad- 380009, (Gujarat) India.
Contact : +91- 79 – 4039 2571, Email : bssahd@bigshareonline.com
Website: www.bigshareonline.com

MANAGEMENT TEAM



Mr. Harikrushna Chauhan

Chairman cum Whole Time Director



Mr. Amit Gadhiya

Managing Director



Mrs. Ilaben Paghdar

Executive Director



Mr. Nirala Joshi

Non-Executive & Independent Director



Mr. Rohit Dobariya

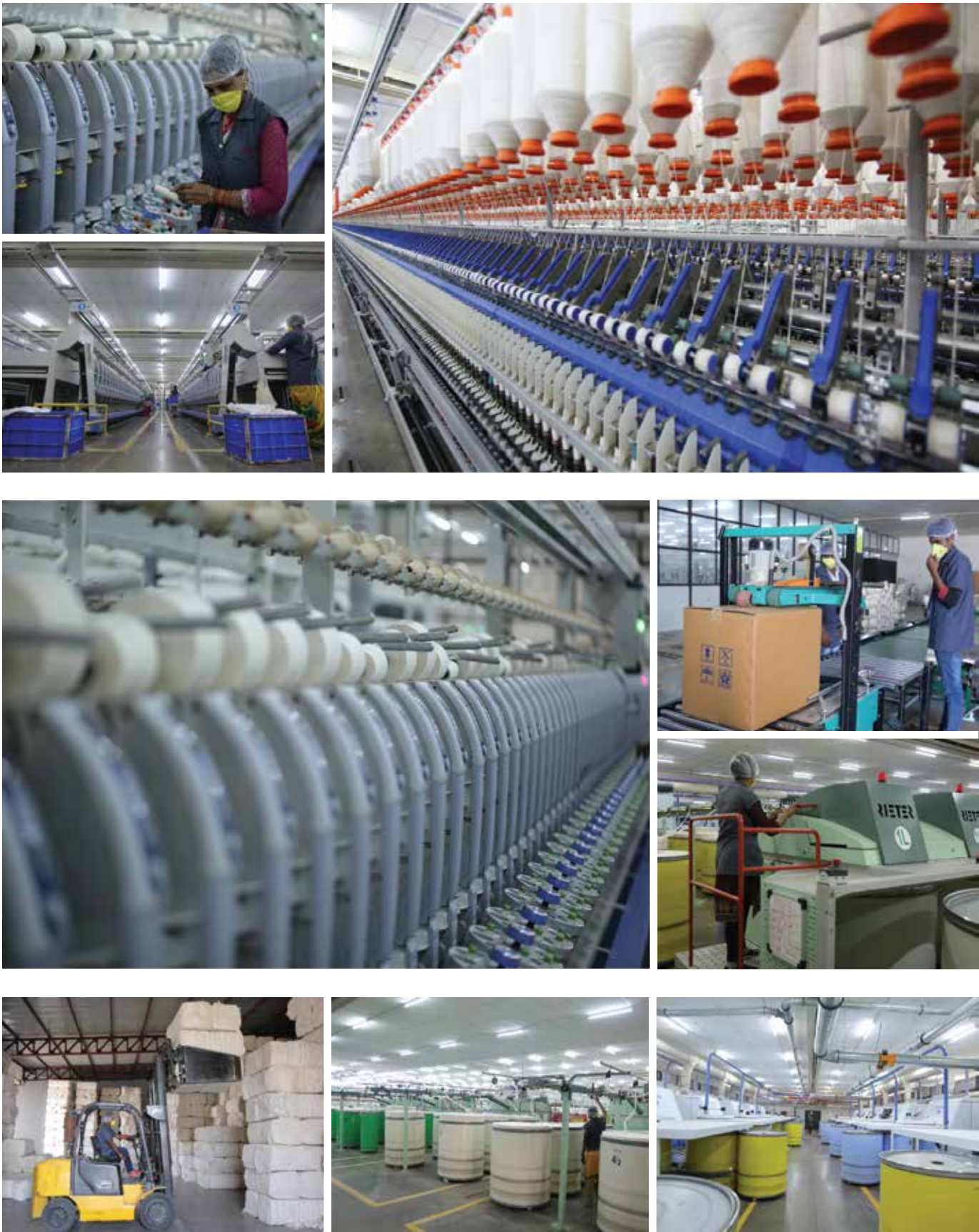
Non-Executive & Independent Director



Mr. Parshotam Vasoya

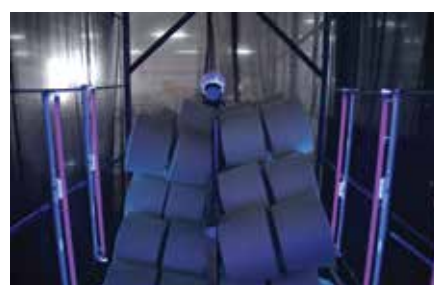
Additional Non-Executive & Independent Director

Glimpse of Factory Images



Products

PRODUCTS OF FIBER	PRODUCTS OF YARN
100% Natural Cotton (Sankar -6)	100% Carded Cotton Yarn(16's to 44's Ne)
100% Natural Cotton (MCU-5)	100% Semi Combed Cotton Yarn (16's to 44's Ne)
100% Natural Cotton (DCH-32)	100% Combed Cotton Yarn (16's to 44's Ne)
100% Natural Cotton (MECH-1)	Slub Yarn
100% Natural Cotton (J-34)	Core Spun Yarn
100% BCI Certified Cotton	TFO Yarn
100% Organic Certified Cotton	Eli Twist Yarn
100% Viscose	Fancy Yarn
100% Modal	Melange Yarn
100% Excel	Blended Yarn BCI Certified Yarn Organic Yarn



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the **8th Annual General Meeting** of the members of **AKSHAR SPINTEX LIMITED** will be held on **Wednesday - 29th September, 2021 at 2.00 p.m. IST** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **To Consider and adopt the financial Statement of the Company for the financial year ended March 31, 2021 and reports of Board of Directors and Auditor thereon**, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. **To appoint Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671), Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment**, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

3. **Re-appointment of M/s. H. B. Kalaria & Associates, Statutory Auditors of the Company**, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof, for the time being in force), M/s. H. B. KALARIA & ASSOCIATES be and is hereby reappointed as the Statutory Auditors of the Company for a period of five years of second term from FY 2021-22 to FY 2025-26 i.e. to hold the office from the conclusion of this 8th Annual General Meeting till the conclusion of 13th Annual General Meeting of the Company, on such terms and at a Remuneration of Rs. 2,11,000/- plus reimbursement of out of pocket expenses at actuals plus applicable taxes as may be mutually agreed upon between the said Auditors and Board of Directors of the Company."

"RES OLVED FURTHER THAT any Director of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

SPECIAL BUSINESS:

4. **Payment of Remuneration to Cost Auditors for Financial Year 2021-2022**, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and such other permissions as may be necessary, the payment of the total remuneration of Rs. 30,000/- plus reimbursement of out of pocket expenses at actuals plus applicable taxes payable to M/s. Mitesh Suvagiya & Co., Cost Accountants, who were appointed as “Cost Auditor” to conduct the audit of Cost Records maintained by the Company for the Financial Year ending March 31, 2022, be and is hereby ratified and approved.”

5. **Appointment of Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671) as Managing director and approval of remuneration under section 196 and 197 read with schedule V of the companies act, 2013**, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT the company hereby accords its approval and consent under Section 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, to the appointment of Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671) as a Managing Director of the Company for a period of three years w.e.f. 08th January 2021 to 07th January 2024 on the terms and condition of appointment and on remuneration of 30,00,000/- (Rupees Thirty Lacs) per annum including all perquisites and allowance as set out in the Explanatory Statement annexed to the Notice of this Meeting and as contained in the appointment letter with authority to board to alter and vary such terms of appointment and remuneration so as to not exceed the limit specified in Schedule V of the Companies Act, 2013 and as approved by the nomination and remuneration committee, and agreed by him.”

“RESOLVED FURTHER THAT pursuant to clause 145 (b) of the Articles of Association of the Company, Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671) shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in Explanatory Statement shall nevertheless be paid and allowed to Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671) as remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and Rules made thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof subject to changes as board may deemed fit as per profitability of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

6. **Appointment of Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106) as chairman cum whole time director and approval of remuneration under section 196 and 197 read with schedule v of the companies act, 2013**, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT the company hereby accords its approval and consent under Section 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, to the appointment of Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106) as a Chairman cum Whole Time Director of the Company for a period of three years w.e.f. 08th January 2021 to 07th January 2024 on the terms and condition of appointment and on remuneration of 30,00,000/- (Rupees Thirty Lacs) per annum including all perquisites and allowance as set out in the Explanatory Statement annexed to the Notice of this Meeting and as contained in the appointment letter with authority to board to alter and vary such terms of appointment and remuneration so as to not exceed the limit specified in Schedule V of the Companies Act, 2013 and as approved by the nomination and remuneration committee, and agreed by him.”

“RESOLVED FURTHER THAT pursuant to clause 145 (b) of the Articles of Association of the Company, Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106) shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in Explanatory Statement shall nevertheless be paid and allowed to Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106) as remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the provisions prescribed under Section 197 read with Schedule V to the Companies Act, 2013 and Rules made thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof subject to changes as board may deemed fit as per profitability of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such act, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

7. **Appointment of Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) as an Independent director**, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) who was appointed as an additional director (Non-Executive Independent Director) by the Board of directors upon recommendation of the Nomination and Remuneration Committee w.e.f. 23rd August, 2021 and who hold office as such upto the date of this annual general meeting and in respect of whom he has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for appointment under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, as a Non-



Executive Independent Director of the Company, be and is hereby appointed as an Independent Director of the company to hold office for a period of 5 (Five) consecutive years on the Board of the Company for a term w.e.f. 23rd August, 2021 and shall not be subject to retirement of directors by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

By order of the Board of Directors,
AKSHAR SPINTEX LIMITED

HARIKRUSHNA S. CHAUHAN
Chairman cum Whole Time Director
DIN: 07710106

Place: Haripar (Jamnagar)
Date: 23.08.2021

Registered Office
Revenue Survey No.102/2 Paiki, Plot No. – 2,
Village: Haripar , Ranuja Road.,
Tal: Kalavad. Jamnagar – 361013.

Notes:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 4 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, 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 hereto.
4. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. The Members can join the Annual General Meeting 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 Annual General Meeting through VC/OAVM will be made available on first come first served basis.

6. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website <http://www.aksharspintex.in/annual-report.html>, websites of the Stock Exchanges, i.e., BSE Limited at www.bseindia.com, and on the website of NSDL, at <https://www.evoting.nsdl.com/>.

7. For receiving all communication (including Annual Report) from the Company electronically Members are requested to register / update their email addresses with the relevant Depository Participant.

8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before **September 15, 2021** through email on cs@aksharspintex.in. The same will be replied by the Company suitably. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
9. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email Id mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. to the Company at cs@aksharspintex.in between **15th September, 2021 to 19th September, 2021**. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers and Questions depending on the availability of time for the AGM.
10. All the work related to share registry in terms of both physical and electronic are being conducted by Company's Registrar and Share Transfer Agent, Bigshare Services Private Limited (RTA), A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G Road, Navrangpura, Ahmedabad – 380009 (Gujarat). The Shareholders are requested to send their communication to the aforesaid address.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM, i.e., **Wednesday, September 29, 2021**.
12. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@aksharspintex.in.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
14. This notice along with Annual Report for 2020-21 is being sent to all members of the Company whose name appears in the Register of Members/ list of beneficiaries received from the depositories as on **27th August 2021**.
15. The person whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on closing of **Wednesday, September 22, 2021** i.e. cut-off date only shall be entitled to vote at the meeting.
16. The Register of Members and Share Transfer Books shall remain closed from **Thursday, September 23, 2021 to Wednesday, September 29, 2021** (both days inclusive).
17. Members may pursuant to section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 file nomination in prescribed form SH- 13 with the respective depository participant.

18. Instructions For Remote E-Voting Before / During The AGM THROUGH VC/OAVM ARE AS FOLLOWS:

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.

- i. The remote e-voting period begins on **26th September, 2021 (9:00 a.m. IST)** and ends on **28th September, 2021 (5:00 p.m. IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as at the cut-off date of **22nd September, 2021** may cast their vote electronically. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of this Notice and holding shares as on **22nd September, 2021**, may obtain the login Id and password by sending request at evoting@nsdl.co.in.

Mr. CS Piyush Jethva, Practicing Company Secretary appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

- ii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- iii. Those Members, who will be present in the AGM through VC / OAVM and have not casted their vote through remote e-voting and are otherwise not barred from doing this, shall be eligible to vote through e-voting system during the AGM.
- iv. The details of process and manner for remote e-voting and e-voting during the AGM are as under

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.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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 (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and 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 options available against company name or e-Voting service provider - 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.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. 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>2. 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>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. 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	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you 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 options available against company name or e-Voting service provider-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.

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 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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. 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.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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 General 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 piyushrjethva@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com 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@aksharspintex.in**
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) **cs@aksharspintex.in**. 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 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 General 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@aksharspintex.in**. The same will be replied by the company suitably.

19. STATEMENT IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Statement with respect to items under Special Business covered in the Notice of Meeting are given below:

3. Re-appointment of M/s. H. B. Kalaria & Associates, Statutory Auditors of the Company:

The Members of the Company at the 3rd Annual General Meeting ("AGM") approved the appointment of M/s. H. B. KALARIA & ASSOCIATES, Chartered Accountants, as the Auditors of the Company for a period of five years from FY 2016-17 to 2020-21, M/s. H. B. KALARIA & ASSOCIATES will complete their present term on conclusion of this 8th AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ("the Board"), on the recommendation of the Audit Committee ("the Committee"), recommended for the approval of the Members, the reappointment of M/s. H. B. KALARIA & ASSOCIATES, Chartered Accountants, as the Auditors of the Company for a period of five years from (FY 2021-22 to FY 2025-26) the conclusion of this 8th AGM till the conclusion of the 13th AGM.

M/s. H. B. KALARIA & ASSOCIATES have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 3 of the Notice. The Board recommends the Ordinary Resolution as set out at item no. 3 for approval by the Members.

4. Payment of Remuneration to Cost Auditors for Financial Year 2021-2022:

The Board, on the recommendations of the Audit Committee, has approved the appointment and remuneration of M/s. Mitesh Suvagiya & Co., Cost Accountants as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022 at a Remuneration of Rs. 30,000/- plus reimbursement of out of pocket expenses at actuals plus applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the Members of the Company. Accordingly, approval of the members is requested for passing an Ordinary Resolution as set out at item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor to conduct audit of the Cost Records of the Company for the Financial Year ending March 31, 2022. Relevant documents in respect of the said item are available in Electronic Form for inspection by the Members of the Company upto the date of the Meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 4 of the Notice. The Board recommends the Ordinary Resolution as set out at item no. 4 for approval by the Members.

5. Appointment of Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671) as a Managing Director and approval of remuneration under section 196 and 197 read with schedule V of the companies act, 2013:

Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671) is engaged with the Company since 19th June 2013 (i.e. since incorporation) considering the devotion of time and dedication towards work it is decided by the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, to appoint him as a Managing Director.

The present proposal is for seeking members' approval for the appointment of Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671) as a Managing Director and approval of his remuneration as per applicable provision of the Companies Act, 2013 read with Schedule V.

The Board of Directors of the Company at its meeting held on 2nd January, 2021 has, subject to approval of the members, approve the remuneration up to Rs. 30,00,000/- (Rupees Thirty Lacs) per annum subject to change as per profitability of the Company. The remuneration including benefits, amenities shall nevertheless be paid and allowed to Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671) as remuneration for any financial year in case of absence or inadequacy of profits for such year. Relevant documents in respect of the said item are available in Electronic Form for inspection by the Members of the Company upto the date of the Meeting.

None of the directors and /or Key Managerial Personnel of the Company and their relatives, except Mr. Amit Vallabhbhai Gadhiya and his relatives, are in any way concerned or interested in the appointment of Managing Director of the Company. The Board recommends the Special Resolution as set out at item no. 5 for approval by the Members.

In terms of the requirements as per sub-clause (iv) of the proviso to Section II of Part II of Schedule V to the Act, the information is as furnished below:

I. GENERAL INFORMATION:			
1.	Nature of industry	Cotton Spinning	
2.	Date or expected date of commencement of commercial production	28.10.2014	
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
4.	Financial performance based on given indicators	Financial Performance of the Company for the year ended 31 st March, 2021: (Rs. in Lacs)	
		Revenue from operations:-	10953.80
		Other Income:	133.86
		Total Expenditure:	11105.90
		Net Profit before tax:	(18.24)
		Profit after tax (after deducting comprehensive income):	124.25
5.	Export performance and foreign exchange earned for the financial year ended	Foreign Exchange Earning And Out Go:	
		Particular	2020-21 2019-20
		i. Total foreign exchange used (Rs.)	-- --
		ii. Total foreign exchange earned on F.O.B basis (Rs.)	-- --
6.	Foreign Investments or collaborators, if any	No such investment or collaboration except minor shareholding of Non Resident Indians.	

II. INFORMATION ABOUT THE APPOINTEE:			
1.	Background details	Name:- Mr. Amit Vallabhbhai Gadhiya Designation:- Managing Director Age:- 35 Experience:- 13 years in cotton and spinning related industries He is promoter & Director of the Company since incorporation Qualification:- Higher Secondary Directorship of the other Company:	
		Company	Designation
		None	-
2.	Past remuneration	24,00,000 P.A. and rest all other terms and conditions and perquisites as stated in special Resolution dated 15.01.2018.	
3.	Recognition or awards	NA	
4.	Job profile and his suitability	He has 13 years' rich and varied experience in the cotton and spinning related business. It would be in the interest of the Company to continue to avail of his considerable expertise and to appoint him as a Managing Director of the Company. He is responsible for overall Management & Administration and Increasing Organizational Effectiveness, setting the ultimate direction for the Company, For reviewing, understanding, assessing, and approving specific strategic directions and initiatives; and for assessing and understanding the issues, forces, and risks that define and drive the company's long-term performance. He is responsible for the smooth and profitable operation of a company's affairs. He supervises and provides consultation to management on strategic planning decisions & sustainability. He is also responsible to perform such other duties as may from time to time be entrusted by the board.	
5.	Remuneration proposed	30,00,000 P.A.	

6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013 after comparisons of remuneration package of other industry and Companies of the same size for this position.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial Personnel, if any. (As on cut of date for notice dispatch to members)	Apart from Mr. Amit Vallabhbhai Gadhiya is a Managing Director of the Company, he holds 18,38,100 Equity Shares at the Face value of Rs. 10/- each of the Company in his individual capacity.
III. OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	<p>The Company has reported a turnover of Rs. 11087.66 Lacs for the year ended on 31st March, 2021 as against Rs. 11108.86 Lacs for the previous year ended on 31st March, 2020.</p> <p>The Company has reported a net profit after tax of Rs. 124.25 Lacs for F.Y 2020-2021 as against net profit after tax of Rs. (573.16) Lacs for F.Y 2019-2020.</p> <p>The major factors Contributing to inadequate profits are Covid19 effect and the unexpected fluctuation in price of raw material and yarn in the first half year. Both the factors have dropped down drastically resulting in reduced margins of the Company.</p> <p>The proposed remuneration is less than the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/ inadequate profits pursuant to the approval of the shareholders.</p>
2.	Steps taken or proposed to be taken for improvement	To address these challenges, the Company has initiated several measures towards achieving organizational and operating efficiencies, alongside working on improvements in process and controls. These cut across manufacturing, quality and other domains, and address issues of cost controls, value analysis.
3.	Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

(IV) DISCLOSURES		
1.	The Shareholders of the Company shall be informed of the remuneration package of the managerial person.	The remuneration paid to Mr. Amit Vallabhbbhai Gadhiya as stated above Rs. 30,000,00 per annum upto three years from the effective date and rest all other terms and conditions and perquisites more particularly described in appointment letter that will be available for inspection to the members.

Information pursuant to 1.2.5 of the Secretarial Standard on General Meeting (SS-2) regarding Director seeking appointment / Re-appointment.

Name	Mr. Amit Vallabhbbhai Gadhiya
Age	35 Years
Qualifications	H.S.C.
Experience	13 Years
Terms and conditions of appointment or re-appointment	<p>Substantial terms and conditions of appointment are as under:</p> <ol style="list-style-type: none"> 1) Tenure of appointment shall be Three years with effect from January 08, 2021. 2) Managing Director shall be liable to retire by rotation. 3) Remuneration up to Rs. 30,00,000/- (Rupees Thirty Lacs) per annum subject to change as per profitability of the Company i.e. the Board of Directors can mutually reduce the remuneration on the base of financial performance of the company subject to upper limit of Rs. 30,00,000 Per Annum. The remuneration including benefits, amenities shall nevertheless be paid and allowed as remuneration for any financial year in case of absence or inadequacy of profits for such year. 4) The Company shall pay any remuneration to the Managing Director as per the decision of the Board of Director which should be as prescribed by the Companies Act, 2013 or any modification or alteration or replacement of the Such Act. 5) The Managing Director shall be entitle to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to the other employees of the Company and as may be decided by the Board, within the overall limits of Rs. 30,00,000 per annum as specified. 6) The Company shall reimburse of actual expenses incurred by the Managing Director in connection with the company's business. 7) Either party shall terminate this employment by giving to the other advance notice of three months.
Proposed remuneration	Rs. 30,00,000 per annum
Last Drawn remuneration	Rs. 5,75,000 per annum

Date of first appointment on the Board	19 th June, 2013 (Since incorporation)
No of share held	18,38,100 Equity shares
Relationship with Directors, Manager and KMP.	None

6. Appointment of Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106) as chairman cum whole time director and approval of remuneration under section 196 and 197 read with schedule v of the companies act, 2013:

Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106) is engaged with the Company since 17th January 2017 considering the devotion of time and dedication towards work it is decided by the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, to appoint him as a Chairman cum Whole Time Director.

The present proposal is for seeking members' approval for the appointment of Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106) as a Chairman cum Whole Time Director and approval of his remuneration as per applicable provision of the Companies Act, 2013 read with Schedule V.

The Board of Directors of the Company at its meeting held on 2nd January, 2021 has, subject to approval of the members, approve the remuneration up to Rs. 30,00,000/- (Rupees Thirty Lacs) per annum subject to change as per profitability of the Company. The remuneration including benefits, amenities shall nevertheless be paid and allowed to Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106) as remuneration for any financial year in case of absence or inadequacy of profits for such year. Relevant documents in respect of the said item are available in Electronic Form for inspection by the Members of the Company upto the date of the Meeting.

None of the directors and /or Key Managerial Personnel of the Company and their relatives, except Mr. Harikrushna Shamjibhai Chauhan and his relatives, are in any way concerned or interested in the appointment of Chairman cum Whole Time Director of the Company. The Board recommends the Special Resolution as set out at item no. 6 for approval by the Members.

In terms of the requirements as per sub-clause (iv) of the proviso to Section II of Part II of Schedule V to the Act, the information is as furnished below:

I. GENERAL INFORMATION:				
1.	Nature of industry	Cotton Spinning		
2.	Date or expected date of commencement of commercial production	28.10.2014		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4.	Financial performance based on given indicators	Financial Performance of the Company for the year ended 31 st March, 2021: (Rs. In Lacs)		
		Revenue from operations:-	10953.80	
		Other Income:	133.86	
		Total Expenditure:	11105.90	
		Net Profit before tax:	(18.24)	
		Profit after tax (after deducting comprehensive income):	124.25	
5.	Export performance and foreign exchange earned for the financial year ended	Foreign Exchange Earning And Out Go:		
		Particular	2020-21	2019-20
		i. Total foreign exchange used (Rs.)	--	--
		ii. Total foreign exchange earned on F.O.B basis (Rs.)	--	--
6.	Foreign Investments or collaborators, if any	No such investment or collaboration except minor shareholding of Non Resident Indians.		

II. INFORMATION ABOUT THE APPOINTEE:

II. INFORMATION ABOUT THE APPOINTEE:						
1.	Background details	<div> <div> Name:- Mr. Harikrushna Shamjibhai Chauhan Designation:- Chairman Cum Whole Time Director Age:- 53 Experience:- more than 3 years in cotton spinning industry and 27 years in Information and Broadcasting Department of Govt. of Gujarat He is promoter & Director of the Company since last 3 years Qualification:- Draftsman Mechanical Directorship of the other Company: <table> <tr> <th>Company</th> <th>Designation</th> </tr> <tr> <td>None</td> <td>-</td> </tr> </table> </div> </div>	Company	Designation	None	-
Company	Designation					
None	-					
2.	Past remuneration	24,00,000 P.A. and rest all other terms and conditions and perquisites as stated in special Resolution dated 15.01.2018.				
3.	Recognition or awards	NA				
4.	Job profile and his suitability	He has 3 years' experience in the cotton spinning business. It would be in the interest of the Company to continue to avail of his considerable expertise and to appoint him as a Chairman cum whole Time Director. He is responsible for Framework for Operational Planning and Business Development & marketing. He is responsible for setting the ultimate direction for the Business Development, For reviewing, understanding, assessing, and approving specific strategic directions and initiatives; and for assessing and understanding the issues, forces, and risks that define and drive the company's long-term performance. He is responsible for the smooth and profitable operation of a company's affairs. He supervises and provides consultation to management on strategic Business development & sustainability. He is also responsible to perform such other duties as may from time to time be entrusted by the board.				
5.	Remuneration proposed	30,00,000 P.A.				

6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is within the maximum permissible remuneration as per Schedule V of the Companies Act, 2013 after comparisons of remuneration package of other industry and Companies of the same size for this position.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial Personnel, if any. (As on cut of date for notice dispatch to members)	Apart from Mr. Harikrushna Shamjibhai Chauhan is a Chairman cum Whole Time Director of the Company, he holds 19,30,000 Equity Shares at the Face value of Rs. 10/- each of the Company in his individual capacity.
III. OTHER INFORMATION		
1.	Reasons of loss or inadequate profits	<p>The Company has reported a turnover of Rs. 11087.66 Lacs for the year ended on 31st March, 2021 as against Rs. 11108.86 Lacs for the previous year ended on 31st March, 2020.</p> <p>The Company has reported a net profit after tax of Rs. 124.25 Lacs for F.Y 2020-2021 as against net profit after tax of Rs. (573.16) Lacs for F.Y 2019-2020.</p> <p>The major factors Contributing to inadequate profits are Covid19 effect and the unexpected fluctuation in price of raw material and yarn in the first half year. Both the factors have dropped down drastically resulting in reduced margins of the Company</p> <p>The proposed remuneration is less than the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits/ inadequate profits pursuant to the approval of the shareholders.</p>
2.	Steps taken or proposed to be taken for improvement	To address these challenges, the Company has initiated several measures towards achieving organizational and operating efficiencies, alongside working on improvements in process and controls. These cut across manufacturing, quality and other domains, and address issues of cost controls, value analysis.
3.	Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

(IV) DISCLOSURES		
1.	The Shareholders of the Company shall be informed of the remuneration package of the managerial person.	The remuneration paid to Mr. Harikrushna Shamjibhai Chauhan as stated above Rs. 30,000,00 per annum upto three years from the effective date and rest all other terms and conditions and perquisites more particularly described in appointment letter that will be available for inspection to the members.

Information pursuant to 1.2.5 of the Secretarial Standard on General Meeting (SS-2) regarding Director seeking appointment / Re-appointment.

Name	Mr. Harikrushna Shamjibhai Chauhan
Age	53 Years
Qualifications	Mechanical Draft
Experience	More than 3 Years in cotton spinning industries and 27 years in Information and Broadcasting department of Government of Gujarat
Terms and conditions of appointment or re-appointment	<p>Substantial Terms and Conditions of Appointment are as under:</p> <ol style="list-style-type: none"> 1) Tenure of appointment shall be Three years with effect from January 08, 2021. 2) Chairman cum Whole Time Director shall be liable to retire by rotation 3) Remuneration up to Rs. 30,00,000/- (Rupees Thirty Lacs) per annum subject to change as per profitability of the Company i.e. the Board of Directors can mutually reduce the remuneration on the base of financial performance of the company subject to upper limit of Rs. 30,00,000 Per Annum. The remuneration including benefits, amenities shall nevertheless be paid and allowed as remuneration for any financial year in case of absence or inadequacy of profits for such year. 4) The Company shall pay any remuneration to the Chairman cum Whole Time Director as per the decision of the Board of Director which should be as prescribed by the Companies Act, 2013 or any modification or alteration or replacement of the Such Act. 5) The Chairman cum Whole Time Director shall be entitle to such other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to the other employees of the Company and as may be decided by the Board, within the overall limits of Rs. 30,00,000 per annum as specified. 6) The Company shall reimburse of actual expenses incurred by the Chairman cum Whole Time Director in connection with the company's business. 7) Either party shall terminate this employment by giving to the other advance notice of three months.
Proposed remuneration	Rs. 30,00,000 per annum

Last Drawn remuneration	Rs. 6,00,000 per annum
Date of first appointment on the Board	17 th January, 2017
No of share held	19,30,000 Equity shares
Relationship with Directors, Manager and KMP.	None

7. Appointment of Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) as an Independent director:

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, have appointed Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) as an Additional Director of the Company in capacity of Non-Executive Independent Director with effect from w.e.f. 23rd August, 2021 and shall not be liable to retire by rotation, subject to consent by the Members of the Company at this Annual General Meeting ("AGM").

Based on skills, rich experience and knowledge of Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252), The Board of Directors recommended his appointment as an Independent Director of the Company, for a period of 5 (Five) years w.e.f. 23rd August, 2021 upto 22nd August, 2026. Further, Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

A copy of the letter of appointment, setting out the terms and conditions of appointment of Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

The Company has received from Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 & intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and he has also submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The Board considered that his appointment would provide immense benefit to the Company and it is desirable to avail his services. Accordingly, consent of the Members is sought for passing special Resolution as set out in this item of the Notice for appointment of Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) as an Independent Director of the Company.



Except Mr. Parshotam Lakhabhai Vasoya (DIN: 09229252) being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

By order of the Board of Directors,
AKSHAR SPINTEX LIMITED

HARIKRUSHNA S. CHAUHAN
Chairman cum Whole Time Director
DIN: 07710106

Place: Haripar (Jamnagar)
Date: 23.08.2021

ANNEXURE TO ITEMS. 2, 5 AND 6 OF THE NOTICE**Information of Director seeking appointment / reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Sr. No.	Particulars	Information	Information
01	Name of Director	Amit Vallabbhai Gadhiya	Harikrushna Shamjibhai Chauhan
02	Director Identification Number	06604671	07710106
03	Date of Birth/ Age	28.07.1986/ 35 Years	04.12.1967/ 53 Years
04	Brief Resume of Director	Mr. Amit Vallabbhai Gadhiya, aged 35 years, he has completed Higher Secondary Education from Gujarat Board. He is promoter & Director of the Company since incorporation. Company has changed his designation from Whole Time Director to Managing Director.	Mr. Harikrushna Shamjibhai Chauhan, aged 53 years, he has completed Higher Secondary Education from Gujarat Board. He is promoter & Director of the Company since last 3 years. Company has changed his designation from Whole Time Director to Chairman cum Whole Time Director.
05	Nature of his expertise in specific functional areas	He has 13 years' rich and varied experience in the cotton and spinning related business. His areas of expertise comprise Strategic Management, General Management, overseeing Production, sale & purchase and increasing Organizational Effectiveness,	He has 3 years' experience in the cotton spinning business. His areas of expertise comprise Strategic Management, Business Development, Strategic marketing & corporate relationship and corporate governance.
06	Disclosure of relationships between Directors inter-se	None	None
07	Names of listed entities in which the person also holds the Directorship and	None	None
08	The membership of Committees of the board	4 (Four) Committees	4 (Four) Committees
09.	Disclosure of Disqualification	He is not disqualified from being appointed as a Director	He is not disqualified from being appointed as a Director
10	No. of Shares held in the Company	18,38,100 Equity Shares	19,30,000 Equity Shares

ANNEXURE TO ITEMS. 7 OF THE NOTICE

Information of Director seeking appointment / reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Particulars	Information
01	Name of Director	Parshotam Lakhabhai Vasoya
02	Director Identification Number	09229252
03	Date of Birth/ Age	04/06/1980/ 41 years
04	Brief Resume of Director	Parshotam Lakhabhai Vasoya, aged 41 years, he has completed B.com from Saurashtra University. He is a Partner of Vishwas Polymers since last 16 years.
05	Nature of his expertise in specific functional areas	He has 16 years' rich and varied experience in the plastic industry. He is expert in financial management and having accounting knowledge and in effective Management of Organization and providing the ultimate direction to the business.
06	Disclosure of relationships between Directors inter-se	None
07	Names of listed entities in which the person also holds the Directorship and	None
08	The membership of Committees of the board	3 (Three) Committees
09.	Disclosure of Disqualification	He is not disqualified from being appointed as a Director
10	No. of Shares held in the Company	None

DIRECTOR'S REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 8th Annual Report of the business and operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2021.

1. Financial Results

The financial performance of your Company for the financial year ended on 31st March, 2021 is as under: -

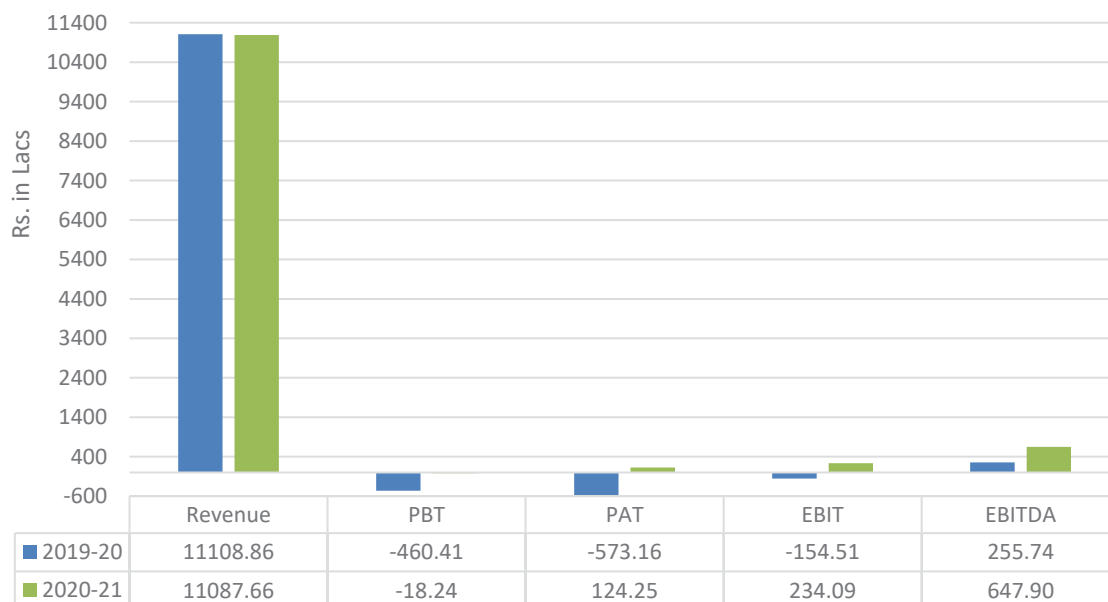
(Rs. In Lakhs)		
Particulars	2020-21	2019-20
Revenue from Operations	10953.80	10909.65
Other Income	133.86	199.21
Total Revenue	11087.66	11108.86
Cost of Materials Consumed	8294.77	9248.87
Purchase of Stock in trade	536.56	-
Change in Inventories	(17.16)	(54.38)
Employee Benefit Expense	473.49	561.04
Finance Costs	252.33	305.91
Depreciation and Amortization Expenses	413.81	410.24
Other Expenses	1152.10	1097.60
Total Expenditures	11105.90	11569.28
Profit/loss Before Tax	(18.24)	(460.41)
Tax Expenses:		
Current Tax	-	82.71
Deferred Tax	(142.49)	30.04
Profit After Tax	124.25	(573.16)
Earnings per Share:		
Basic	0.50	(2.29)
Diluted	0.50	(2.29)

2. Financial Analysis and Review of Operations

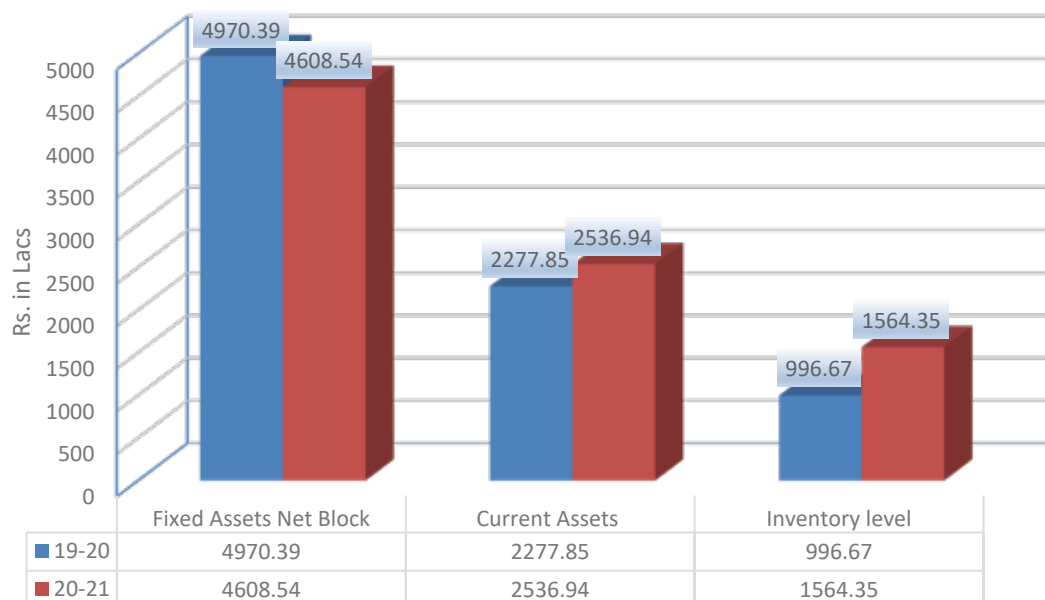
Sales & Profitability Review

During the year under review the Company has generated revenue from its operation of Rs. 10953.80 Lacs, slightly higher over the previous year's revenue of Rs. 10909.65 Lacs. The Company has booked profit before depreciation, interest and tax of Rs. 647.90 Lacs as against Rs. 255.74 Lacs in the previous year. After providing for depreciation of Rs. 413.81 Lacs (previous year Rs. 410.24 Lacs), interest of Rs.252.33 Lacs (previous year Rs.305.91 Lacs), provision for current tax of Rs.0.00 Lacs (previous year Rs.182.71 Lacs), deferred tax (net of adjustments) of Rs.(142.49) Lacs (previous year Rs.30.04 Lacs), the Net profit after comprehensive income worked out to Rs. 124.25 Lacs as compared to loss of Rs.(573.16) Lacs in the previous year.

Performance Snapshot



Resources Utilization Snapshot



3. CoVID-19

The whole year reeled under the COVID-19 situation and for that Company has already disclosed the same wide Letter filed with Stock Exchange on 22nd June, 2020. Major period of 1 quarter of the year was under lockdown due to COVID-19. Recovery of business started in 2 quarter onwards. The order book started building up from 3 quarter onwards and seemed like recovery will be long-lasting now. Again the last month of the year 2020-21 like last year, came under heavy threat of surging COVID-19 cases. However, amid this entire turbulent scenario & amid drastic reduction in demand from the market, your company could put up a moderate total of turnover. The COVID-19 situation provided an opportunity to control the expenses optimally and this helped your company to put up an improved performance during the year. The Company does not see any medium to long term risks in the company's ability to continue as a going concern and in meeting its liabilities as and when they fall due. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The management will continue to monitor for any material changes to future economic conditions. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

4. Extract of Annual Return

An Extract of Annual Return as required under Section 92(3) of the Companies Act, 2013 in form of MGT-9 is annexed hereto and form part of this report as “**Annexure I**”.

Pursuant to the provisions of Section 134(3)(a) of Companies Act, 2013, the web address of the Annual Return of the Company is <http://aksharspintex.in/annual-return.html>.

5. Dividend

With a view to plough back of profits and using Net Profit for liquidity purpose and day-to day operational activities, your Board of Directors does not recommend any dividend for the F.Y. 2020-21.

6. Transfer to Reserves

The Board of Directors of your Company does not propose to transfer any amount to any reserve.

7. Directors

Liable to retire by rotation:

In accordance with the provisions of the Articles of Association of the Company, Mr. Amit Vallabhbhai Gadhiya (DIN: 06604671), Director of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. The Board recommended his reappointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

Independent Directors:

Mr. Nirala Indubhai Joshi was appointed as Independent Director of the Company by the Members of the Company in the 5th Annual General Meeting to hold office w.e.f. 17th January, 2018 for a term of consecutive five years.

Mr. Vipul Vallabhbbhai Patel was appointed as Independent Director of the Company by the Members of the Company in the 5th Annual General Meeting to hold office w.e.f. 8th March, 2018 for a term of consecutive five years and thereafter he was resigned from the said post of Independent Director of the Company w.e.f. 23rd August, 2021 due to his personal reasons.

Mr. Rohit Bhanjibhai Dobariya was appointed as Independent Director of the Company by the Members of the Company in the **5th Annual General Meeting** to hold office w.e.f. 14th March, 2018 for a term of consecutive five years.

Mr. Parshotam Lakhabhai Vasoya has been appointed as Additional Director in the capacity of Non-Executive Independent Director w.e.f. 23rd August, 2021, subject to approval of shareholders in forthcoming annual general meeting. Necessary resolutions relating to his appointment as Independent Director for a period of five years w.e.f. 23rd August, 2021 is included in the Notice of Annual General Meeting. The relevant details are given in the Notes/Annexures to the Notice of the Annual General Meeting.

Declaration under Section 149(6):

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 read with Schedule IV thereof and code of Conduct for Independent Directors and for Senior Management formulated by Company.

Formal Annual Evaluation:

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations.

Further, the Independent Directors, at their exclusive meeting held on 22nd March, 2021 during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Companies Act, 2013 and Listing Regulations.

Formal Updation Programs for Independent Directors:

The Company conduct familiarization and updation programs for independent directors on need basis. Conducted by knowledgeable persons from time to time.

8. Key Managerial Personnel:

In compliance with provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2021:

Sr. No.	Name	Designation
1	Mr. Harikrushna Shamjibhai Chauhan [Appointed w.e.f. 8 th January, 2021)	Chairman cum Whole Time Director
2	Mr. Amit Vallabhbbhai Gadhiya [Appointed w.e.f. 8 th January, 2021)	Managing Director
3	Mr. Jagdish D. Otradi [Appointed w.e.f. 16 th February, 2021)	Chief Financial Officer
4	Mr. Kishor M. Kikani (Appointed w.e.f. 16 th February, 2021)	Company Secretary

During the year under review, Mr. Ashwin N. Chavda, Company Secretary and Compliance Officer of the Company was resigned from the said post with effect from 26th August, 2020 due to his personal reasons and in place of him, Company has appointed Mr. Kishor Kikani as Company Secretary and Compliance Officer of the Company w.e.f. 16th February, 2021.

During the year under review, Mr. Pratik R. Raiyani, Chief Financial Officer (CFO) of the Company was resigned from the said post with effect from 24th July, 2020 due to his personal reasons and in place of him, Company has appointed Mr. Jagdish D. Otradi as Chief Financial Officer (CFO) of the Company w.e.f. 16th February, 2021.

During the year under review, Designation of Mr. Ashok Shukan Bhalala was changed from Chairman and Managing Director to Executive Director w.e.f. 8th January, 2021 and thereafter he was resigned from the said post of Executive Director of the Company w.e.f. 23rd August, 2021 due to his personal reasons.

During the year under review, Mr. Harikrushna Shamjibhai Chauhan has been appointed as Chairman cum Whole Time Director w.e.f. 8th January, 2021 and Mr. Amit Vallabhbbhai Gadhiya has been appointed as Managing Director w.e.f. 8th January, 2021, subject to approval of shareholders in forthcoming annual general meeting.

Necessary resolutions relating to Directors who are seeking appointment / reappointment are included in the Notice of Annual General Meeting. The relevant details of the said Directors are given in the Notes/Annexures to the Notice of the Annual General Meeting.

9. Number of Board Meetings:

During the year under review, the Board met 9 times and the intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013 on following dates;

30.05.2020	29.06.2020	24.07.2020	26.08.2020	03.11.2020
12.11.2020	02.01.2020	25.01.2021	16.02.2021	

Attendance of Director are as follows;

Sr. No.	Name of Director	Designation	No. of Meetings entitled to attend	No. of Meeting Attended
1	Harikrushna Shamjibhai Chauhan	*C&WTD	9	9
2	Amit Vallabhbhai Gadhiya	*MD	9	9
3	Ilaben Dineshbhai Paghdar	Exe. Director	9	9
4	Ashok Shukan Bhalala	*Exe. Director	9	9
5	Nirala Indubhai Joshi	Ind. Director	9	6
6	Vipul Vallabhbhai Patel	#Ind. Director	9	6
7	Rohit Bhanjibhai Dobariya	Ind. Director	9	8
8	Mr. Parshotam Lakhabhai Vasoya	@ Add. Ind. Director	0	0

*Mr. Harikrushna Shamjibhai Chauhan has been appointed as Chairman cum Whole Time Director w.e.f. 8th January, 2021 and Mr. Amit Vallabhbhai Gadhiya has been appointed as Managing Director w.e.f. 8th January, 2021. Designation of Mr. Ashok Shukan Bhalala was changed from Chairman and Managing Director to Executive Director w.e.f. 8th January, 2021 and thereafter he was resigned from the said post of Executive Director of the Company w.e.f. 23rd August, 2021 due to his personal reasons.

#Mr. Vipul Vallabhbhai Patel was resigned from the post of Independent Director of the Company w.e.f. 23rd August, 2021 due to his personal reasons.

@Mr. Parshotam Lakhabhai Vasoya has been appointed as Additional Director in the capacity of Non-Executive Independent Director w.e.f. 23rd August, 2021, subject to approval of shareholders in forthcoming annual general meeting.

10. Vigil Mechanism:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating whistle blower policy in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, actual or suspected fraud or violation of the codes of conduct by way of direct access to the Chairman/ Chairman of the Audit Committee. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Policy on Vigil Mechanism and whistle blower policy as approved by the Board may be accessed on the Company's website at the link: <http://aksharspintex.in/corporate-governance.html>.

11. Constitution of Various Committees& Its Meeting;**Audit Committee;**

Sr. No.	Name of the Person	Designation	Particulars of Meetings	
			No. of Meetings entitled to attend	No. of Meetings Attended
1	Mr. Nirala Joshi	Chairman	4	4
2	Mr. Vipul Patel resigned w.e.f. 23.08.2021	Member	4	1
3	Mrs. Ilaben Paghdar	Member	4	4
4	Mr. Parshotam Vasoya appointed w.e.f. 23.08.2021	Member	0	0
5	Mr. Rohit Dobariya appointed w.e.f. 23.08.2021	Member	0	0

Nomination and Remuneration Committee;

Sr. No.	Name of the Person	Designation	Particulars of Meetings	
			No. of Meetings entitled to attend	No. of Meetings attended
1	Mr. Rohit Dobariya	Chairman	4	4
2	Mr. Nirala Joshi	Member	4	4
3	Mr. Vipul Patel resigned w.e.f. 23.08.2021	Member	4	-
4	Mr. Parshotam Vasoya appointed w.e.f. 23.08.2021	Member	0	0

Stakeholder Relation Committee;

Sr. No.	Name of the Person	Designation	Particulars of Meetings	
			No. of Meetings entitled to attend	No. of Meetings attended
1	Mr. Vipul Patel resigned w.e.f. 23.08.2021	Chairman	4	-
2	Mr. Harikrushna Chauhan	Member	4	4
3	Mr. Amit Gadhiya	Member	4	4
4	Mr. Parshotam Vasoya appointed w.e.f. 23.08.2021	Chairman	0	0

Risk Management Committee

Sr. No.	Name of the Person	Designation	Particulars of Meetings	
			No. of Meetings entitled to attend	No. of Meetings attended
1	Mr. Ashok Bhalala resigned w.e.f. 23.08.2021	Chairman	1	1
2	Mr. Harikrushna Chauhan	Member	1	1
3	Mr. Amit Gadhiya appointed w.e.f. 23.08.2021	Chairman	1	1
4	Mrs. Ilaben Paghdar appointed w.e.f. 23.08.2021	Member	0	0

Internal Complaints Committee

Sr. No.	Name of the Person	Designation	Particulars of Meetings	
			No. of Meetings entitled to attend	No. of Meetings attended
1	Mrs. Ilaben Paghdar	Chairman	1	1
2	Mr. Ashok Bhalala resigned w.e.f. 23.08.2021	Member	1	1
3	Mr. Harikrushna Chauhan	Member	1	1
4	Mr. Amit Gadhiya appointed w.e.f. 23.08.2021	Member	0	0

Corporate Social Responsibility Committee

Sr. No.	Name of the Person	Designation	Particulars of Meetings	
			No. of Meetings entitled to attend	No. of Meetings attended
1	Mr. Nirala Joshi	Chairman	1	1
2	Mr. Amit Gadhiya	Member	1	1
3	Mr. Harikrushna Chauhan	Member	1	1

12. Corporate Social Responsibility

The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

The Corporate Social Responsibility (CSR) Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link <http://aksharspintex.in/corporate-governance.html>.

The disclosures related to CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and form part of this report as "**Annexure II**".

13. Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. A report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 as given by the Statutory Auditors of the Company forms part of Independent Auditor's Report on Financial Statements.

14. Particulars of Contracts or Arrangements made with Related Parties;

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link <http://aksharspintex.in/corporate-governance.html>.

Your Directors draw attention of the members to Note 31 to the financial statement which sets out related party transaction disclosures.

15. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013:

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 financial statement (Please refer to Note No. 12 to the financial statement).

16. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. Particulars with respect to conservation of energy and other areas as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies(Accounts) Rules, 2014, are annexed hereto and form part of this report as "Annexure III".

17. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section as a "Annexure IV" forming part of this Annual Report.

18. Human Resources /Industrial Relations:

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavoring to build high performance culture on one hand and amiable work environment on the other hand.

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the

Listing Regulations (including any statutory modification(s) or reenactment(s) for the time being in force).

Details of employee as per Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any Shareholder on request. Such details are also available on your Company's website <http://www.aksharspintex.in/annual-report.html>. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as “Annexure V”.

19. Material Changes and Commitment, if any, Affecting the Financial Position of the Company occurred between the end of the Financial Year to which this Financial Statements relate and the date of the report

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

20. Auditors & Auditors Report:

Statutory Auditor;

Pursuant to provisions of Section 139 of the Companies Act, 2013, M/s. H. B. Kalaria & Associates, Chartered Accountants (FRN: 104571W), were appointed as a Statutory Auditors of the Company to hold office from Conclusion of 3rd Annual General Meeting till the conclusion of 8th Annual General Meeting to be held for the Financial Year ended on 31st March, 2021. The Board of Directors of the Company, on the recommendation of the Audit Committee, recommended for the approval of the Members, the reappointment of M/s. H. B. Kalaria & Associates, as the Auditors of the Company for a period of five years from (FY 2021-22 to FY 2025-26) the conclusion of this 8th AGM till the conclusion of the 13th AGM.

M/s. H. B. Kalaria & Associates have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

Further, the Statutory Auditor of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2021.

This Auditors' Report is self-explanatory and no comments requires.

Secretarial Auditor;

M/s. Varsha & Associates, Company Secretaries in Practice, has appointed as a Secretarial Auditors of the Company by the Board of Directors in the Meeting held on 28th June, 2021 to conduct the Secretarial Audit of the Company for records for the Financial Year 2021-22.

M/s. Varsha & Associates, Company Secretaries in Practice, was appointed as a Secretarial Auditors of the Company for the Financial Year 2020-21 and have submitted their Report in Form No. MR-3 as required under Section 204 of the Companies Act, 2013 for the financial year ended 31st March, 2021. The Report forms part of this report as **Annexure VI**.

This Secretarial Auditors' Report is self-explanatory and no further comments requires.

Cost Records and Audit;

M/s. Mitesh Suvagiya & Co., Cost Accountant, were appointed as a Cost Auditor of the Company to conduct the Cost Audit of the records for the Financial Year 2020-21

M/s. Mitesh Suvagiya & Co., Cost Accountant, have appointed as a Cost Auditor of the Company, by the Board of Directors in their Meeting held on **28th June, 2021** on the recommendation of the Audit Committee, to conduct the Cost Audit of the records for the Financial Year 2021-22 on a remuneration as mentioned in the Notice of Annual General Meeting for conducting the audit of the cost records maintained by the Company.

A Certificate from M/s. Mitesh Suvagiya & Co. Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder. A resolution seeking Member's ratification for the remuneration payable to Cost Auditor forms part of the Notice of the Annual General Meeting of the Company and same is recommended for your consideration and approval.

The Company is maintaining the Cost Records, as specified by the Central Government under section 148(1) of Companies Act, 2013. Cost Audit report for the financial year ended March 31, 2020 were filed on September 19, 2020, which was within the time limit as prescribed in Companies (Cost Records and Audit) Rules, 2014 as amended.

Internal Auditor;

In terms of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed Mr. Mehulkumar Parmar as an Internal Auditor of the Company in the Meeting of Board of Directors held on 28th June, 2021.

21. Directors Responsibility Statement

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013 the Board hereby confirmed that:—

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. Appropriate accounting policies have been selected and applied consistently, and have 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 31st March, 2021 and of the profit of the Company for the year ended on 31st March, 2021;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. The Internal financial controls has been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. A proper system has been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

22. Capital Structure

During the period under review, there has been no change in the authorized share capital and paid up capital of the Company.

23. General Disclosures

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Change in nature of Business of Company.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.
6. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
7. There has been no instance of any revision in the Board's Report or the financial statement under Section 131(1) of the Act.

Further, your Directors state that the Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there was no complaint filed under the said Act.

24. Details of Holding/Subsidiaries/Associates Company

The clause is not applicable as there is no associate/subsidiary or Joint Venture Company is there with the company.

25. Corporate Governance

Pursuant to Regulation 15(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the corporate governance provisions shall not apply to the listed entity which has listed its specified securities on the SME Exchange. As the Equity Shares of the Company are listed on SME Platform of BSE Limited, provisions regarding Corporate Governance not applicable to your Company.

Your company have complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by Central Government from time to time.

26. Risk & Mitigating Steps

The Board has adopted a risk management policy where various risks faced by the Company have been identified and a framework for risk mitigation has been laid down. Even though not mandated, the Company has constituted a Risk Management Committee to monitor, review and control risks. The risks and its mitigating factors are discussed in the Board.

27. Acknowledgement:

Your Directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, Bankers, Business Constituents and Shareholders for their continued and valuable co-operation and support to the Company and look forward to their continued support and co-operation in future too.

They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

For and on Behalf of Board of Directors
AKSHAR SPINTEX LIMITED

Date: 23.08.2021

Place: Haripar (Jamnagar)

Amit V. Gadhiya
Managing Director
[DIN : 06604671]

Harikrushna S. Chauhan
Chairman cum Whole Time Director
[DIN :07710106]

Annexure-I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2021
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

SR. NO.	PARTICULARS	INFORMATION
I	Corporate Identification Number	L17291GJ2013PLC075677
II	Registration Date	19.06.2013
III	Name of the Company	AKSHAR SPINTEX LIMITED
IV	Category / Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
V	Address of the Registered office and contact details	Revenue Survey No.102/2 Paiki, Plot No.2, Village: Haripar, Ranuja Road, Tal: Kalawad, Jamnagar-361013, Gujarat (India) Phone: +91 7574887001, E-mail: aksharspintex@gmail.com Web: www.aksharspintex.in
VI	Whether listed company	YES (BSE SME as on 11th May,2018)
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PRIVATE LIMITED A/802,Samudra Complex, Near Klassic Gold Hotel,Girish Cold Drink,Off.C.G.Road, Ahmedabad-380009, Gujarat.India

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products /services	NIC / HSN Code of the Product/service	% to total turnover of the company
1	Spinning of Cotton Yarn	5205	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associates	% of the Shares Held	Applicable Section.
1	N.A.	N.A.	N.A.	N.A.	N.A.

(P.T.O.)

AKSHAR SPINTEX LIMITED										
Statement Showing Shareholding Pattern										
SR NO		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Category of Shareholder	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	% Change
(A) Shareholding of Promoter and Promoter Group2										
1	Indian									
a)	INDIVIDUAL / HUF	6110100	0	6110100	24.44	6110100	0	6110100	24.44	0.00
b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
1	GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
2	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
3	DIRECTORS RELATIVES	5404900	0	5404900	21.62	5404900	0	5404900	21.62	0.00
	SUB TOTAL :	11515000	0	11515000	46.06	11515000	0	11515000	46.06	0.00
(A) Shareholding of Promoter and Promoter Group2										
2	Foreign									
a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding	11515000	0	11515000	46.06	11515000	0	11515000	46.06	0.00

(B) Public shareholding										
3	Institutions									
a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
c)	MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f)	FII'S	0	0	0	0.00	0	0	0	0.00	0.00
g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
j)	FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
k)	ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
(B) Public shareholding										
4	Non-institutions									
a)	BODIES CORPORATE	630000	0	630000	2.52	1194000	0	1194000	4.78	2.26
b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
1	INDIVIDUAL - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	2001000	0	2001000	8.00	1758000	0	1758000	7.03	(0.97)
2	INDIVIDUAL - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	9890000	0	9890000	39.56	9884000	0	9884000	39.54	(0.02)
c)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
1	TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
2	CLEARING MEMBER	537000	0	537000	2.15	243000	0	243000	0.97	(1.18)

3	NON RESIDENT INDIANS (NRI)	9000	0	9000	0.04	9000	0	9000	0.04	0.00
4	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
5	EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
6	OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
7	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
8	IEPF	0	0	0	0.00	0	0	0	0.00	0.00
9	HUF	417000	0	417000	1.67	396000	0	396000	1.58	(0.08)
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	13484000	0	13484000	53.94	13484000	0	13484000	53.94	0.00
	Total Public Shareholding	13484000	0	13484000	53.94	13484000	0	13484000	53.94	0.00

(C) Shares held by Custodians and against which Depository Receipts have been issued

5										
e)	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
9	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
10	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL	24999000	0	24999000	100.00	24999000	0	24999000	100.00	0.00

NOTES : Inter se transfer of shares has been done among promoters and promoter group on 09.08.2021 and announcement of the same available on <https://www.bseindia.com>

1) NAME, NUMBER OF SHARES HELD & PERCENTAGE OF ENTITIES / PERSONS HOLDING MORE THAN 1% OF THE TOTAL SHARES OF THE COMPANY IS AS PER ANNEXURE

AKSHAR SPINTEX LIMITED

Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR's and ADR's)

SR NO	Name	Shareholding at the beginning of the year		Increase/Decrease in Shareholding	Shareholding at the beginning of the year	
		No. of Shares	% total Shares of the Company		No of Shares	% total Shares of the Company
1	NIPABEN VIKASBHAI SORATHIYA	1938500	7.75	0	1938500	7.75
2	SONAL PRAKASHKUMAR SORATHIA	1936500	7.75	0	1936500	7.75
3	ILABEN DINESHBHAI PAGHDAR	1602000	6.41	0	1602000	6.41
4	DHAVAL ASHOK VAGHASIYA	663000	2.65	171000	834000	3.34
5	SWETSAM STOCK HOLDING PRIVATE LIMITED	162000	0.65	540000	702000	2.81
6	SILKON TRADES LLP	429000	1.72	(15000)	414000	1.66
7	MANUBHAI JIVRAJBHAI GAJERA	365000	1.46	0	365000	1.46
8	JALPABEN PARESHBHAI BHALALA	330000	1.32	0	330,000	1.32
9	SAROJ PRAVIN BHALALA	290000	1.16	0	290,000	1.16
10	CHARMEE NAYAN GADHIYA	275000	1.10	0	275000	1.10
TOTAL		7991000.00	31.96	696000	8067000	34.76

AKSHAR SPINTEX LIMITED								
Shareholding of Promoters & Promoter Group								
SL No	Shareholder's Name	Shareholding at beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	% Change
1	ASHOK SUKANBHAI BHALALA (HUF)	50000	0.20	0.00	50000	0.20	0.00	0.00
2	PARESH SUKANBHAI BHALALA (HUF)	110000	0.44	0.00	110000	0.44	0.00	0.00
3	PRAVIN SUKANBHAI BHALALA (HUF)	60000	0.24	0.00	60000	0.24	0.00	0.00
4	SUKANBHAI VELJIBHAI BHALALA (HUF)	70000	0.28	0.00	70000	0.28	0.00	0.00
5	CHETANABEN ASHOKBHAI BHALALA	100000	0.40	0.00	100000	0.40	0.00	0.00
6	NARMADABEN SHAMJIBHAI CHAUHAN	290000	1.16	0.00	290000	1.16	0.00	0.00
7	POOJA AMIT GADHIYA	285000	1.14	0.00	285000	1.14	0.00	0.00
8	KANTABEN VALLABHBHAI GADHIYA	400000	1.60	0.00	400000	1.60	0.00	0.00
9	HARIKRISHNA SHAMJIBHAI CHAUHAN (HUF)	600000	2.40	0.00	600000	2.40	0.00	0.00
10	HARIKRISHNA SHAMJIBHAI CHAUHAN	600000	2.40	0.00	600000	2.40	0.00	0.00
11	NAYAN VALLABHBHAI GADHIYA	869900	3.48	0.00	869900	3.48	0.00	0.00
12	PARESH SHUKAN BHALALA	1240000	4.96	0.00	1240000	4.96	0.00	0.00
13	PRAVIN SUKANBHAI BHALALA	1330000	5.32	0.00	1330000	5.32	0.00	0.00
14	ASHOK SHUKAN BHALALA	1530000	6.12	0.00	1530000	6.12	0.00	0.00
15	AMIT VALLABHBHAI GADHIYA	1820100	7.28	0.00	1820100	7.28	0.00	0.00
16	REKHABEN HARIKRUSHNABHAI CHAUHAN	2160000	8.64	0.00	2160000	8.64	0.00	0.00
TOTAL		11515000	46.06	0.00	11515000	46.06	0.00	0.00
Inter se transfer of shares has been done among promoters and promoter group on 09.08.2021 and announcement of the same available on https://www.bseindia.com								

AKSHAR SPINTEX LIMITED

Movement of Promoters & Promoter Movement

Sr. No.	NAME	Shareholding at the beginning of the Year		Increase/Decrease in	Reason	Shareholding at the end of the year	
		No. of Shares At the Beginning	% total Shares of the Compnay			No of Shares	% total Shares of the Compnay
1	There is no change in Promoters Shareholding during the year						

Shareholding of Directors and Key Managerial Personnel

Sr. No.	NAME	Shareholding at the beginning of the Year		Increase/Decrease in Shareholding	Reason	Shareholding at the end of the year	
		No. of Shares	% total Shares of the Compnay			No of Shares	% total Shares of the Compnay
1	ASHOK SHUKAN BHALALA (resigned w.e.f 23rd August 2021)	1530000	6.12			1530000	6.12
2	AMIT VALLABHBHAI GADHIYA	1820100	7.28			1820100	7.28
3	ILABEN DINESHBHAI PAGHDAR	1602000	6.41			1602000	6.41
4	HARIKRUSHNA SHAMJIBHAI CHAUHAN	600000	2.40			600000	2.40
5	NIRALA INDUBHAI JOSHI	NIL	0.00			NIL	0.00
6	VIPUL VALLABHBHAI PATEL (resigned w.e.f 23rd August 2021)	NIL	0.00			NIL	0.00
7	ROHIT BHANJIBHAI DOBARIYA	NIL	0.00			NIL	0.00
8	PARSHOTAM LAKHABHAI VASOYA (appointed w.e.f 23rd August 2021)	NIL	0.00				
9	PRATIK RAMESHBHAI RAIYANI (resigned w.e.f 24th July, 2020)	9000	0.04			9000	0.04
10	ASHWIN NAJABHAI CHAVDA (resigned w.e.f. 26th August, 2020)	NIL	0.00			NIL	0.00
11	JAGDISH D. OTRADI (Appointed w.e.f. 16th February, 2021)	NIL	0.00			NIL	0.00
12	KISHOR M. KIKANI (Appointed w.e.f. 16th February, 2021)	NIL	0.00			NIL	0.00
TOTAL		5561100	22.25			5561100	22.25

Inter se transfer of shares has been done among promoters and promoter group on 09.08.2021 and announcement of the same available on <https://www.bseindia.com/>

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	167510387	46656095	-	214166482
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	167510387	46656095	-	214166482
Change in the Indebtedness during the financial year				
Addition	12998093	3400000	-	-
Reduction	(39719033)	(4565528)	-	(44284561)
Net Change	(26720940)	(1165528)	-	(27886468)
Indebtedness at the end of the financial year				
i) Principal Amount	140789447	45490568	-	186280015
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	140789447	45490568	-	186280015

Note: The Figures above are excluding current maturities of long term debt

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors Manager and/or Directors:

Sr. No.	Particulars of Remuneration	Ashok Bhalala	Amit Gadhiya	Harikrishna Chauhan	Total Amount
		Director Change in designation from CMD to ED w.e.f. 08.01.2021 and Resigned w.e.f. 23.08.2021)	MD Appointed w.e.f. 08.01.2021	Chairman & WTD Appointed w.e.f.08.01.2021	
1	Gross Salary				
	(a) Salary as per Provisions contained in section 17(1) of the Income-Tax Act, 1961.	75000	575000	600000	1250000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act,1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - As % of Profit - Others, Specify.	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
Total of A.		75000	575000	600000	1250000
Ceiling as per the Act		NA	NA	NA	

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Nirala Indubhai Joshi (ID)	Vipul Vallabhbbhai Patel (Resigned w.e.f. 23.08.2021) (ID)	Rohit Bhanjibhai Dobariya (ID)	Ilaben Paghdar (ED)	Parshotam Lakhabhai Vasoya (appointed w.e.f 23.08.2021) (ID)	
1	Independent Directors	NIL	NIL	NIL	NIL	NIL	NIL
	(a) Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Commission						
	(c) Others, please specify						
	Total (1)						
2	Other Directors						
	(a) Fee for attending Board /committee meetings	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Others, please specify. - Salary	NIL	NIL	NIL	360000	NIL	360000
	Total of B. = (1)+(2)	NIL	NIL	NIL	360000	NIL	360000
	Total Managerial Remuneration	NIL	NIL	NIL	360000	NIL	360000
	Overall Ceiling as per the Act.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CS		CFO		
		Ashwin Chavda (Resigned w.e.f. 26.08.2020)	Kishor Kikani (Appointed w.e.f. 16.02.2021)	Pratik Raiyani (Resigned w.e.f. 24.07.2021)	Jagdish Otradi (Appointed w.e.f. 16.02.2021)	
1	Gross salary					
	(a) Salary as per Provisions contained in section 17(1) of the Income-Tax Act, 1961.	105000	60794	106000	164742	436536
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act,1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission - As % of Profit - Others, Specify.	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.
Total of C.		105000	60794	106000	164742	436536

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Authority RD / NCLT / COURT	Appeal made, if any
A. COMPANY				
Penalty	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL
B. DIRECTORS				
Penalty	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT				
Penalty	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL

For and on Behalf of the Board
AKSHAR SPINTEX LIMITED

Date: 23.08.2021
Place: Haripar (Jamnagar)

AMIT V. GADHIYA
Managing Director
[DIN: 06604671]

HARIKRUSHNA S. CHAUHAN
Chairman cum Whole Time Director
[DIN: 07710106]

ANNEUXRE-II

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21:

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of CSR Policy

The focus areas of the Company under its CSR program are promotion of education, preventive health care, rural development, skill enhancement, environment protection and any other project as defined in Schedule VII of the Companies Act, 2013. The Company has formulated the Corporate Social Responsibility Policy which is placed on the website <http://www.aksharspintex.in/pdf/16.%20CSR%20POLICY.pdf>

2. The Composition of the CSR Committee:

In accordance with provision of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company has constituted the Corporate Social Responsibility comprising of the following Directors as its members:

Name of The Director	Designation
Mr. Nirala Joshi	Chairman
Mr. Amit Gadhiya	Member
Mr. Harikrushna Chauhan	Member

3. Average net profit of the company for last three financial years: Rs. 1,79,62,654/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 3,59,253/-
5. Details of CSR spent during the financial year: -
 - (a) Total amount to be spent for the financial year: Rs. 3,60,000/-
 - (b) Amount unspent: No unspent amount (excess amount of Rs. 747/- spent during the year)
 - (c) Manner in which the amount spent during the financial year: The Company has spent of Rs. 360000/- by way of Charity to a Spiritual & Humanitarian organization for conserving and preserving cultural heritage during the financial year
6. In case the Company has failed to spend two percent, reason thereof: Company has spent sufficient CSR amount which required to spend during the financial year.



7. Corporate Social Responsibility Committee shall identify, implement and undertake Corporate Social Responsibility Program and activities. Committee shall further monitor the progress and report the utilization of funds. Further the committee assures that when there is an identification of project for CSR, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on Behalf of Board of Directors
AKSHAR SPINTEX LIMITED

Date: 23.08.2021

Place: Haripar (Jamnagar)

Amit V. Gadhiya
Managing Director
[DIN : 06604671]

Harikrushna S. Chauhan
Chairman cum Whole Time Director
[DIN :07710106]

ANNEUXRE-III

Conservation of energy, research and development, technology, absorption, foreign exchange earnings and outgo

A. Conservation of Energy:

- I. The steps taken or impact on conservation of energy; No Specific steps has been taken by company for conservation of Energy
- II. The steps taken by the company for utilizing alternate sources of energy: - Energy conservation is an ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.
- III. The capital investment on energy conservation equipment: -The Company has not made any capital investment on energy conservation equipment.

B. Power and Fuel Consumption:

• Power Consumption:

Particulars	Units	Rate per unit	Amount
Total Units	11,8,36,740	7.75	9,17,85,129

• Fuel Consumption:

Diesel Consumed(Factory)	1,79,915
Diesel& Petrol Consumed(Vehicle)	2,39,277

C. Technology Absorption:

- I. The efforts made towards technology absorption; N.A.
- II. The benefits derived like product improvement, cost reduction, product development or import substitution; N.A.
- III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Company has not imported any technologies during the year.

D. Foreign Exchange earnings and Outgo:

There were no Foreign Exchange earnings and outgo for the Current Year as well as for the Previous Year.

For and on Behalf of Board of Directors
AKSHAR SPINTEX LIMITED

Date: 23.08.2021

Place: Haripar (Jamnagar)

Amit V. Gadhiya
Managing Director
[DIN : 06604671]

Harikrushna S. Chauhan
Chairman cum Whole Time Director
[DIN :07710106]

ANNEXURE-IV

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

Projecting what the future holds is an important exercise for business and governments looking to plan ahead, we look ahead to the trends we expect to come to the fore in the global economy in the year to come. Global growth is projected at 6% in 2021, moderating to 4.4% in 2022. The projections for 2021-22 are stronger. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022.

Indian Economy

As per Economic Survey 2020-21, India's real GDP growth for FY22 is projected at 11%. The January 2021 WEO update forecast an 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy.

Industry Structure and Developments:

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings.

Textiles exports form 17% of the country's total export earnings and India's share in the global textile market and apparel market is 4% and 2.8%, respectively. The Textiles exports basket consists of Ready-made garments, Cotton textiles, Textiles made from man-made fibre, Wool and Woolen goods, Silk, Handicrafts, Coir, and Jute.

2022 will see a stabilization of India's textile sector with cotton spinning and apparel export segments faring especially well. Cotton spinning and apparel exports could increase by 15% to 20% in the 2022 financial year,

The domestic textile industry is one of the largest industry in the country and has witnessed a phenomenal growth in the last two decades in terms of installed spindlage and yarn production. The significant features of this growth include installation of open-end rotors and setting up of export-oriented units. Technology-wise, Indian spinning industry has been able to keep pace with the international technology trends.

Domestic Cotton Scenario

Over the years, India has achieved significant quantitative increase in cotton production. India has the distinction of having the largest area under cotton cultivation which is about 41% of the world area under cotton cultivation between 12.5 million hectares to 13.0 million hectares.

India is one of the largest producer of cotton in the world accounting for about 26% of the world cotton production. The yield per kgs hectare which is presently 487 kgs/ha is still lower against the world average yield of about 768 Kgs kgs /ha

India has become one of the largest consumer of cotton i.e, about 23% of World Cotton Consumption.

The demand for cotton will keep on rising despite favourable returns to growers. Global cotton consumption will, after a 7 per cent jump next season, rise by 2.4 per cent a year, spurred by "an expected rise in demand for clothing and textiles in Europe, the US, Japan and Australia". This will lead to an increased mill activity in top textile manufacturing nations including India, Bangladesh, Turkey and Indonesia.

For 2021-22, USDA projection for global cotton mill use may increase by 3.5 percent to 121.5 million bales of 217.72 Kg each. Expected to be led by China, India, Pakistan, Turkey, Bangladesh and Vietnam. As the world economy continues to rebound from the COVID-19 pandemic, cotton mill use is also expected to rise.

The prices of cotton in India are expected to remain healthy in FY 21-22 with largely stable production,

(Disclaimer: The Information were taken from secondary source, there might be some mistake were there)

COMPANY OVERVIEW

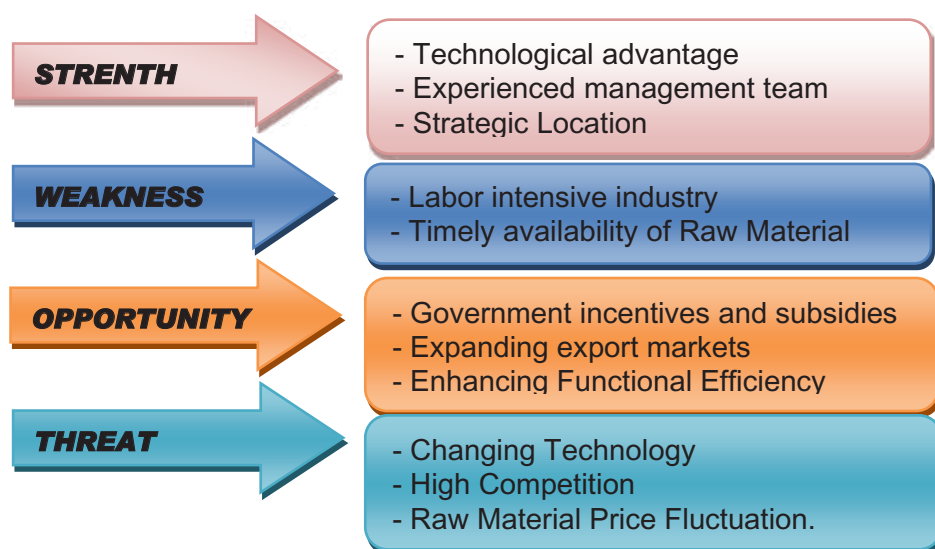
The Company has reached a turnover of Rs.110.87 Crores even under the conditions of uncertain cotton prices and heavy competition and market situation worldwide due to CoVID-19 in the beginning of Financial Year. In March 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic. The crisis related to COVID-19 is unprecedented and in 2021 continues to have an impact, the current atmosphere of uncertainty and unpredictability due the ongoing crisis of Covid-19, the situation of the global economy is getting worse day by day and has led to the global recession due to closing down of many industries and businesses. Covid-19 pandemic has had a more negative impact on activity in the first half of 2020-21 than anticipated, the future growth prospects remains highly vulnerable for the coming time as well. However, government and various rating agencies are highly optimistic about India's economy and expects economic growth to remain about 10% during financial year 2021-22. "second half year were a good period for Indian spinning mills because there was a huge shortage of cotton yarn due to last year's lockdown (to tackle Covid) and huge demand for yarn came from domestic and international markets. So, spinning mills performed well.

Future outlook: Akshar Spintex Limited is a leading producer of value-added yarns in India since inception. The company has been committed to achieve high growth through development of niche products to meet increasingly sophisticated demands of the Industry and expected to grow on upward trend of performance in future.

OUR PRODUCT RANGE:

- 100% Carded Cotton Yarn (16's to 44's Ne)
- 100% Semi Combed Cotton Yarn (16's to 44's Ne)
- 100% Combed Cotton Yarn (16's to 44's Ne)
- Slub Yarn
- Core Spun Yarn
- TFO Yarn
- Eli Twist Yarn
- Fancy Yarn
- Melange Yarn
- Blended Yarn
- BCI Certified Yarn
- Organic Yarn

OPPERTUNITIES AND THREATS



OPPORTUNITIES

With consumption and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players increased penetration of organized retail, favorable demographics and rising income levels to drive textile demand. Changing taste and preferences in the urban part of India, it works as demand driver to the industry. It has been complemented by a young population which growing and at the same time is exposed to changing tastes and fashion. India enjoys a comparative advantage in terms of skilled manpower and in cost of production.

THREATS

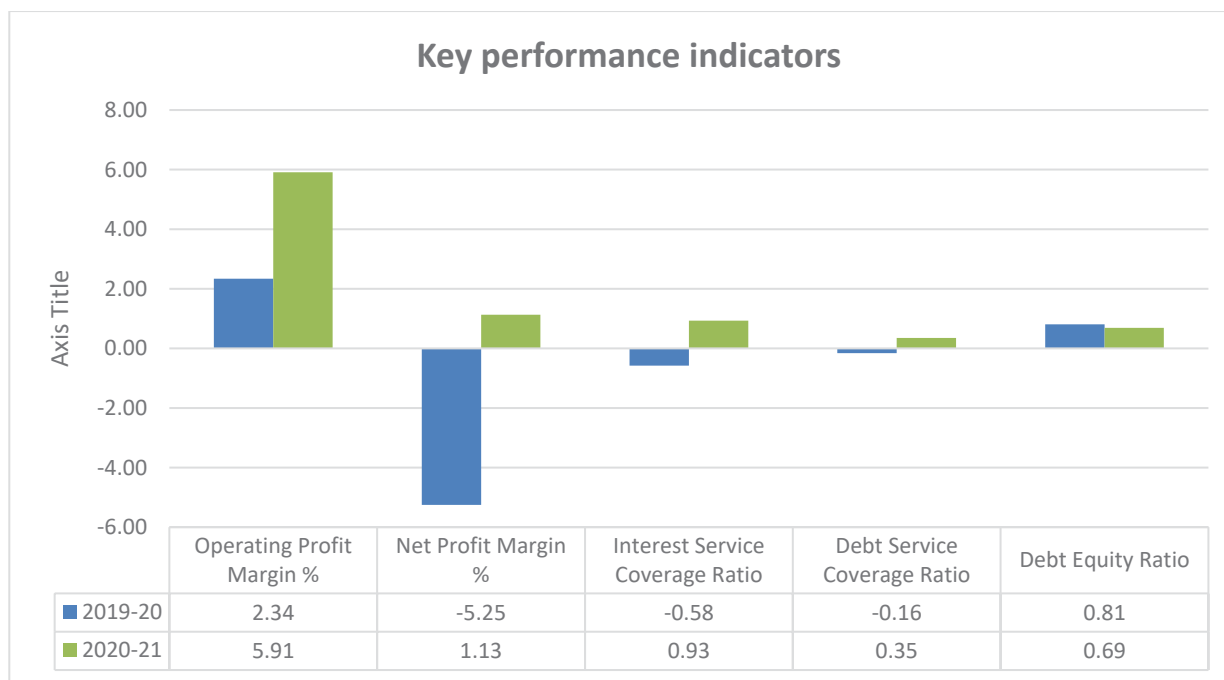
Cotton is raw material of the Company which is source from domestic market. Cotton is an agriculture product and its supply and quality are subject to force of nature. Any material shortage or interruption in the domestic supply or deterioration in the quality of cotton due to natural causes or other factors could results in increased production costs. The volatility in price of cotton in market and shortage of manpower are the major threaten to the company.

RISK AND CONCERNS

The nature and the magnitude of the risks associated with the Company are reviewed and placed before the Board periodically. Various measures for modernization have been introduced to reduce the dependency of labor, which also ensures optimum capacity utilization & quality outputs. Quality of our product is key aspect to sustain in the Market. Any failure to maintain the quality of the product may affect adversely to our business. T

FINANCIAL REVIEW**(Amount in Rs.)**

Particular	2020-21	2019-20
Total Revenue	109,53,80,163	1,09,09,65,467
Profit/loss before finance cost, depreciation	6,47,90,032	2,55,73,814
Less: Financial Costs	2,52,33,459	3,05, 90,630
Less: Depreciation and amortization	4,13,80,569	4,10,24,431
Profit before tax	(18,23,996)	(4,60,41,247)
Less: Tax Expenses	(1,42,49,395)	1,12,75,113
Profit after tax for the year	1,24,25,400	(5,73,16,360)
Earnings Per Share	0.50	(2.29)
Cash EPS	2.15	(0.65)
Operating Profit Margin %	5.91	2.34
Net Profit Margin %	1.13	(5.25)
Interest Service Coverage Ratio	0.93	(0.58)
Debt Service Coverage Ratio	0.35	(0.16)
Debt Equity Ratio	0.69	0.81



SEGMENT-WISE PERFORMANCE:

The Company has identified its business segment as Primary Reportable Segment. There are no other Primary Reportable Segment and the Company's Operations fall under a single segment "Spinning of Cotton Yarn". Hence, Segment reporting is not applicable as per Accounting Standard (AS) - 17 - Segment Reporting.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standards.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has implemented proper system for safeguarding the operations/ business of the Company, through which the assets are verified and frauds, errors are reduced and accounts, information connected to it are maintained such, so as to timely completion of the statements. The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

The Company gets internal audit and verification done at regular intervals. The requirement of having internal auditor compulsory by statute in case of listed and other classes of companies as prescribed shall further strengthen the internal control measures of Company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

The Company believes that employee plays a pivotal role in achieving a competitive advantage. The Company provides them an environment, where each employee is motivated to contribute his best to achieve the Companies objective. The focus of all aspects of Human Resource Development is on developing a superior workforce so that the organization and individual employee can achieve their work goals. The Company has a progressive HR policy for helping employees to develop their organization skills, knowledge and abilities to achieve greater efficiency. The Industrial Relations of the Company with its personnel has continued to be cordial and friendly during the year.

To ensure the safety and well-being of the employees, all recommended precautions against COVID-19 have been taken, which includes work from home policy for eligible employees, restrictions on travel, minimizing contacts in public, health advisory to employees following State and Central government directives issued in this regard from time to time. Company is taking necessary preventive measure like social distancing, temperature testing, providing masks and sanitization facility to all workers and other preventive measures to avoid any infection due to CoVID-19.

CAUTIONARY STATEMENT

Statement in the “Management Discussion and Analysis” describing the Company’s objectives, estimates, expectations or projections may be “forward looking statements” within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include demand/supply conditions, finished goods, prices, raw material costs, changes in government regulations, tax laws and other statutes and other incidental factors. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

For and on Behalf of Board of Directors
AKSHAR SPINTEX LIMITED

Date: 23.08.2021

Place: Haripar (Jamnagar)

Amit V. Gadhiya
Managing Director
[DIN : 06604671]

Harikrushna S. Chauhan
Chairman cum Whole Time Director
[DIN :07710106]

ANNEXURE-V

Statement of Disclosures under Section 197 of the companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I) The Ratio of the Remuneration of each Director to the Median employee's remuneration for the financial year and such other Details as prescribed is as given below:

NAME	DESIGNATION	RATIO
Ashokbhai S. Bhalala (Resigned w.e.f.23.08.2021)	Executive Director	0.29
Amit V Gadhiya (appointed w.e.f. 08.01.2021)	Managing Director	2.33
Harikrushna S Chauhan (appointed w.e.f. 08.01.2021)	Chairman & Whole-Time Director	2.33
Illaben D Pagdhar	Executive Director	1.40
Pratik Raiyani (Resigned w.e.f. 24.07.2020)	Chief Financial Officer	1.23
Ashwin Chavda (Resigned w.e.f. 26.08.2020)	Company Secretary	0.98
Jagdish Otradi (appointed w.e.f. 16.02.2021)	Chief Financial Officer	1.53
Kishor Kikani (appointed w.e.f. 16.02.2021)	Company Secretary	1.58

- Calculation of Median employee was based on actual salary paid to all employees during the year under review. The Employees who left company in between financial year and the employees joined company in between financial year is actually considered.
- Ratio of Mr. Pratik Raiyani – Chief Financial Officer (Who was resigned in month of July, 2020) is taken on base of actually payment to him and in proportion of median remuneration of employee for the relevant period of his employment.
- Ratio of Mr. Ashwin Chavda – Company Secretary (Who was resigned in month of August, 2020) is taken on base of actually payment to him and in proportion of median remuneration of employee for the relevant period of his employment.
- Ratio of Mr. Kishor Kikani- Company Secretary (Who is appointed as on 16.02.2021) is taken on the base of actually payment to him and in proportions of median remuneration of employee for relevant period of his employment.
- Ratio of Mr. Jagdish Otradi- Chief Financial Officer (Who is appointed as on 16.02.2021) is taken on the base of actually payment to him and in proportions of median remuneration of employee for relevant period of his employment.
- The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions however no sitting fees is paid to them for the financial year 2020-21

II) The Percentage increase in remuneration of each Director, Chief Financial officer, Chief Executive officer, Company Secretary or Manager, if any, in the financial year:

NAME	DESIGNATION	% INCREASE
Ashok Bhalala	Executive Director	(92%)
Amit Gadhiya	Managing Director	(33%)
Harikrushna Chauhan	Chairman & Whole-Time Director	(39%)
Illaben Pagdhar	Executive Director	(25%)
Nirala Indubhai Joshi	Independent Director	Not Applicable
Vipul Vallabhnbhai Patel	Independent Director	Not Applicable
Rohit Bhanjibhai Dobariya	Independent Director	Not Applicable
Kishor Kikani	Company Secretary	Not Applicable
Jagdish Otradi	Chief Financial Officer	Not Applicable

III) The Percentage increase in the Median Remuneration of the employees of the Company during the financial year: Approximately 7%

IV) The Number of Permanent employees on the rolls of the Company: 195

V) 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; Not Applicable

During the year company has appointed many employees which result into increase in percentage of remuneration paid to them. The managerial remuneration is decrease during the year.

VI) It is hereby affirmed that the remuneration paid to the Directors and employees is as per the Remuneration Policy of the Company.

For and on Behalf of Board of Directors
AKSHAR SPINTEX LIMITED

Date: 23.08.2021

Place: Haripar (Jamnagar)

Amit V. Gadhiya
Managing Director
[DIN : 06604671]

Harikrushna S. Chauhan
Chairman cum Whole Time Director
[DIN :07710106]



VARSHA & ASSOCIATES

Company Secretaries

Address: B-5, Hussaini Bldg Sitladevi Temple Road, Mahim West, Mumbai - 400016
Email: varshashah0409@gmail.com, Mobile: 9167207811

ANNEUXRE-VI

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

Form No. MR-3

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

To,
The Members,
AKSHAR SPINTEX LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AKSHAR SPINTEX LIMITED (L17291GJ2013PLC075677)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2021 complied with the statutory provisions listed hereunder. The Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

VARSHA & ASSOCIATES

Company Secretaries

Address: B-5, Hussaini Bldg Sitladevi Temple Road, Mahim West, Mumbai - 400016
Email: varshashah0409@gmail.com, Mobile: 9167207811

- 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the company during the audit period)**;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the company during the audit period)**;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **(Not applicable to the company during the audit period)**;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company during the audit period)** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the company during the audit period)**
- vi. As confirmed and identified by the company the following other laws applicable to the Company;
- a) Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, provident fund, ESIC, compensation etc.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- i. *The Company filed certain e-forms late in time, with additional fees during the year under review.*

VARSHA & ASSOCIATES

Company Secretaries

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Email: varshashah0409@gmail.com, Mobile: 9167207811

- ii. *The Company has availed the additional Credit Facility of Rs. 4,00,00,000/- from The South Indian Bank Limited under the scheme named as the “Emergency Credit Line Guarantee Scheme (ECLGS) by execution of document on 16th December 2020. “ The said Charge is not registered with Registrar of Companies (ROC) during the period under review.*
- iii. *As per Section 203 (4) of the Companies Act, 2013, if the office of whole-time Key Managerial Personnel is vacated, the resulting vacancy shall be filled-up by the board within period of six months from the date of such vacancy. The resignation of the Chief Financial Officer was approved on 24th July, 2020. The New Chief Financial Officer of the Company was appointed on 16th February, 2021 instead of 23rd January, 2021, i.e. late by time as prescribed under section 203 (4) of the Companies Act, 2013.*
- iv. *The Company has not complied with the provision of leave encashment benefit payable to its employee.*
- v. *The Company has not paid professional tax for the year under review.*

I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for Meetings other than those held by a shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.
- iii. All the decisions of the Board and Committees thereof were carried through with requisite majority.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period the company has done transaction as under which can be considered material in nature:

VARSHA & ASSOCIATES

Company Secretaries

Address: B-5, Hussaini Bldg Sitladevi Temple Road, Mahim West, Mumbai - 400016
Email: varshashah0409@gmail.com, Mobile: 9167207811

- i. The Chief Financial Officer of the Company Mr. Pratik Raiyani has resigned from his post with effect from 24th July 2020.
- ii. Company Secretary and Compliance officer of the Company Mr. Ashwin Chavda has resigned from his post with effect from 26th August 2020.
- iii. Mr. Harikrushna Chauhan (Din: 07710106) was appointed as Chairman cum Whole Time Director of the Company with effect from 08th January 2021.
- iv. Mr. Amit Vallabhbhai Gadhiya (Din: 06604671) was appointed as a Managing Director of the Company with effect from 08th January 2021. The tenure of the appointment is three years i.e. up to 07th January 2024.
- v. Mr. Jagdishbhai Otradi (PAN: ABFPO7856C) was appointed as a Chief Financial Officer of the Company with effect from 16th February 2021.
- vi. Mr. Kishorbhai Kikani (ACS: 58545, PAN: AVXPK4815H) was appointed as a Company Secretary and Compliance Officer of the Company with effect from 16th February 2021.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Yours Faithfully

For **VARSHA & ASSOCIATES**
Company Secretaries

Date: **11th August, 2021**

Place: **Mumbai**

VARSHA JAKHARIA

M. No. A47469

CP. No. 22584

UDIN: A047469C000766022



VARSHA & ASSOCIATES

Company Secretaries

Address: B-5, Hussaini Bldg Sitladevi Temple Road, Mahim West, Mumbai - 400016
Email: varshashah0409@gmail.com, Mobile: 9167207811

To,
The Members,
AKSHAR SPINTEX LIMITED

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

- (1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- (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.

Yours Faithfully

For **VARSHA & ASSOCIATES**
Company Secretaries

Date: **11th August, 2021**
Place: **Mumbai**

VARSHA JAKHARIA
M. No. A47469
CP. No. 22584
UDIN: A047469C000766022

INDEPENDENT AUDITOR'S REPORT

To the Members of
Akshar Spintex Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Akshar Spintex Limited** ("**the Company**") which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including 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 March 31, 2021, and profit, and its 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 thereunder, 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 key audit matters to communicate in our report except as stated in the Emphasis of Matters para below.

Emphasis of Matter

We draw your attention to Note 2.6 of the section Summary of Significant Accounting Policies where the Company has not complied with the provisions of AS 15 – Employee Benefits with respect to creating a provision for leave encashment expense payable to its employees. The Company determines the liability for defined benefit plans on actual payment basis only.

The Company's management is responsible for carrying out the inspection of its inventories on a regular basis. We have not independently verified the inventories of the Company during the year under review. Any adjustment to the value of inventories as appearing in the balance sheet of the Company may have an effect on the profit and net assets of the Company for the period and year ended March 31, 2021.

The Company's management is responsible for carrying out the balance confirmation and reconciliations with various debtors, creditors and advances. These have not been independently verified by us during the year under review. Any adjustment to the value of such balances as appearing in the balance sheet of the Company may have an effect on the profits and net assets of the Company for the period and year ended March 31, 2021.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's 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 the 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 during the course of our 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 that fact. We have nothing to report in this regard.

Responsibility of Management 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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 SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. 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.
2. Obtain an understanding of 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: **Rajkot**

Date: **28/06/2021**

For,

HB Kalaria and Associates

Firm Reg. No. 104571W

Chartered Accountants

(Hasmukh Kalaria)

Partner

Mem. No. 042002

UDIN: 21042002AAAAVS4093

Annexure A

Referred to in the section Report on Other Legal and Regulatory Requirements on of the Independent Auditors' Report of even date to the members of Akshar Spintex Limited on the financial statements as of and for the year ended March 31, 2021

- a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 1 year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on physical verification of fixed assets.
- c) The title deeds of immovable properties, as disclosed in the notes on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted as reasonable intervals by the Management during the year. In respect of inventory lying with third parties, if any, have been substantially confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material. We have relied mostly on the management representations in this matter.
- iii. According to the information and explanation given to us, the Company has not granted any loans to any parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to explanation and information give to us, the Company has not granted any loans or made any investments or provided any guarantee or security to the parties covered under Sections 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. In our opinion and according to explanation and information give to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the Rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of the business activity carried out by the Company. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
 - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income-tax, sales tax, VAT, GST and service tax, and including provident fund, employees'

state insurance, duty of customs, duty of excise, cess and any other material statutory dues, as applicable, with the appropriate authorities . There are undisputed statutory dues outstanding as at 31st March, 2021, for the period of more than six months from the date they become payable.

Name of Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Due date of payment	Date of payment	Remarks, if any
Gujarat Professional Tax Act	Professional Tax	3,86,090	F.Y. 2020-21	Monthly	Not paid till date of report	
Gujarat Professional Tax Act	Professional Tax	16,11,230	Before F.Y. 2020-21	Monthly	Not paid till date of report	

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, VAT and any other material dues which have been disputed.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date
- ix. The Company has raised moneys by way of term loans. Prima facie, and as per the representations of the management of the Company in this regard, we are of the opinion that the moneys raised have been utilized for their stated purpose during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. The Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place: **Rajkot**
Date: **28/06/2021**

For,
HB Kalaria and Associates
Firm Reg. No. 104571W
Chartered Accountants

(Hasmukh Kalaria)
Partner
Mem. No. 042002
UDIN: 21042002AAAAVS4093

Annexure B

Referred to in point f. of the section Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Akshar Spintex Limited on the financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over the financial reporting of Akshar Spintex Limited ("the Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 ("ICAI"). 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 respective 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 Act.

Auditors' 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the 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 controls system 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 assessed risk. The procedures selected depend on the auditors' judgement, 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 Company's 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 authorisations 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 of 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 control 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, 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, 2021, 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 issued by ICAI.

Place: **Rajkot**

Date: **28/06/2021**

For,

HB Kalaria and Associates

Firm Reg. No. 104571W

Chartered Accountants

(Hasmukh Kalaria)

Partner

Mem. No. 042002

UDIN: 21042002AAAAVS4093

Balance Sheet as at March 31, 2021

(in Rs.)

Particulars	Note	As at March 31, 2021		As at March 31, 2020	
I. Equity and Liabilities					
Shareholders' funds					
Share capital	3	249,990,000		249,990,000	
Reserves and surplus	4	112,577,399		100,151,999	
Money received against share warrants		-	362,567,399	-	350,141,999
Non-current liabilities					
Long-term borrowings	5	136,267,465		124,678,057	
Deferred tax liabilities (net)	6	26,857,296		41,106,692	
Other long-term liabilities		-		-	
Long-term provisions	7	1,179,652	164,304,413	2,597,489	168,382,238
Current liabilities					
Short-term borrowings	8	50,012,549		89,488,425	
Trade payables					
Total outstanding dues of MSMEs		-		-	
Total outstanding dues of creditors other than MSMEs		75,403,126		53,202,912	
		75,403,126		53,202,912	
Other current liabilities	9	80,877,406		81,205,932	
Short-term provisions	10	79,655	206,372,736	153,223	224,050,491
Total			733,244,549		742,574,727
II. Assets					
Non-current assets					
Property, plant and equipment					
Tangible assets	11	460,853,866		497,039,416	
Intangible assets		-		-	
Capital work-in-progress		-		-	
Intangible assets under development		-		-	
		460,853,866		497,039,416	

Non-current investments	12	3,100,000		3,100,000	
Long-term loans and advances	13	74,937		74,937	
Other non-current assets	14	<u>15,521,368</u>	479,550,171	<u>14,575,398</u>	514,789,751
Current assets					
Current investments		-		-	
Inventories	15	156,434,712		99,666,740	
Trade receivables	16	31,431,420		45,470,967	
Cash and bank balances	17	888,997		1,118,585	
Short-term loans and advances	18	42,591,095		46,316,763	
Other current assets	19	22,348,154	253,694,378	35,211,921	227,784,976
Total			733,244,549		742,574,727

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

This is the balance sheet referred to in our report of even date

For and on behalf of the Board of Directors,

For, H. B. Kalaria & Associates

Chartered Accountants
Firm Registration No. 104571W

Amit V. Gadhiya

Managing Director
DIN: 06604671

Harikrishna Chauhan

Whole Time Director
DIN: 07710106

Hasmukh B. Kalaria

Partner
Mem. No. 042002

Jagdish D. Otradi

CFO
PAN: ABFPO7856C

Kishor M. Kikani

CS
PAN: AVXPK4815H

Rajkot, June 28, 2021

Haripar, June 28, 2021

Statement of Profit and Loss for the period ended March 31, 2021

(in Rs.)

Particulars	Note	Period ended March 31, 2021	Period ended March 31, 2020
1 Income			
Revenue from operations	20	1,095,380,163	1,090,965,467
Other income	21	13,385,964	19,920,932
Total revenue		1,108,766,127	1,110,886,399
2 Expenses			
Cost of materials consumed	22	829,476,889	924,887,492
Purchase of stock-in-trade	23	53,655,890	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1,715,966)	(5,438,278)
Employee benefit expense	25	47,349,243	56,103,865
Finance costs	26	25,233,459	30,590,630
Depreciation and amortisation expense	11	41,380,569	41,024,431
Other expenses	27	115,210,039	109,759,505
Total expenses		1,110,590,123	1,156,927,646
3 Profit/(Loss) before tax		(1,823,996)	(46,041,247)
4 Less: Tax expense			
Current tax		-	6,069,110
MAT credit availment/(entitlement)		-	2,201,581
Prior period tax		-	-
Deferred tax		(14,249,395)	3,004,422
5 Profit/(loss) for continuing operations		12,425,400	(57,316,360)
6 Profit/(loss) from discontinuing operations (after tax)		-	-
7 Profit/(loss) for the period		12,425,400	(57,316,360)
8 Earnings per share (FV Rs. 10 per share)	28		
Basic		0.50	(2.29)
Diluted		0.50	(2.29)

The accompanying notes are an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date

For, H. B. Kalaria & Associates

Chartered Accountants

Firm Registration No. 104571W

Hasmukh B. Kalaria

Partner

Mem. No. 042002

Rajkot, June 28, 2021

For and on behalf of the Board of Directors,

Amit V. Gadhiya

Managing Director

DIN: 06604671

Harikrishna Chauhan

Whole Time Director

DIN: 07710106

Jagdish D. Otradi

CFO

PAN: ABFPO7856C

Kishor M. Kikani

CS

PAN: AVXPK4815H

Haripar, June 28, 2021

Cash Flow Statement for the period ended March 31, 2021

(in Rs.)

Particulars	Period ended March 31, 2021	Period ended March 31, 2020
A. Cash flow from operating activities		
Profit/(Loss) before tax	(1,823,996)	(46,041,247)
Adjustments for		
Finance costs	25,233,459	30,590,630
Depreciation and amortisation costs	41,380,569	41,024,431
Interest income from non-current investments	(1,055,875)	(968,615)
Net gain on disposal/discarding of tangible assets	-	(45,447)
Operating profit/(loss) before working capital changes	63,734,157	24,559,752
Adjustment for changes in working capital		
Adjustments for (increase)/decrease in operating assets		
Inventories	(56,767,973)	31,908,532
Trade receivables	14,039,547	4,686,680
Long-term loans and advances	-	20,000
Short-term loans and advances	5,387,612	1,530,659
Other current assets	12,863,767	18,849,316
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	22,200,214	(5,057,616)
Short-term provisions	(73,568)	112,869
Long-term provisions	(1,417,837)	953,165
Other current liabilities	3,135,493	2,574,407
Cash generated from/(used in) operating activities	63,101,413	80,137,764
Direct taxes paid (net of refunds)	(1,661,944)	(2,238,510)
Net cash generated from/(used in) operating activities	61,439,470	77,899,254
B. Cash flow from investing activities		
Proceeds from sale of tangible assets	-	46,602,528
Purchase of tangible assets	(5,195,019)	(47,814,415)
Purchase of non-current investment(s)	-	(3,100,000)
Interest received	1,055,875	968,615
Cash and bank balances not classified as cash and cash equivalents	(945,970)	2,210,027

Cash generated from/(used in) investing activities	(5,085,114)	(1,133,246)
Direct tax paid (net of refunds)	-	-
Net cash generated from/(used in) investing activities	(5,085,114)	(1,133,246)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	65,363,081	46,376,970
Repayment of long-term borrowings	(57,650,124)	(123,423,873)
Proceeds from short-term borrowings	1,126,941,110	1,269,150,228
Repayment of short-term borrowings	(1,166,416,984)	(1,239,082,423)
Finance costs paid	(24,821,026)	(29,948,593)
Cash generated from/(used in) financing activities	(56,583,944)	(76,927,691)
Direct taxes paid (net of refunds)	-	-
Net cash generated from/(used in) financing activities	(56,583,944)	(76,927,691)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(229,588)	(161,683)
Cash and cash equivalents at the beginning of the period	1,118,585	1,280,268
Cash and cash equivalents at the end of the period	888,997	1,118,585

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3.
2. Previous year figures have been regrouped and recasted wherever necessary to conform to current year's classification.
3. For composition of cash and cash equivalents, see note 17 of the financial statements.

This is the cash flow statement referred to in our report of even date

For and on behalf of the Board of Directors,

For, H. B. Kalaria & Associates

Chartered Accountants
Firm Registration No. 104571W

Amit V. Gadhiya
Managing Director
DIN: 06604671

Harikrishna Chauhan
Whole Time Director
DIN: 07710106

Hasmukh B. Kalaria
Partner
Mem. No. 042002

Rajkot, June 28, 2021

Jagdish D. Otradi
CFO
PAN: ABFPO7856C

Haripar, June 28, 2021

Kishor M. Kikani
CS
PAN: AVXPK4815H

Notes to Financial Statements

For the period ended March 31, 2021

1. General Information

Akshar Spintex Limited (the "Company") is engaged in the business of manufacturing and trading of spun cotton yarn. The Company is a public limited company and is listed on the SME platform of BSE.

2. Summary of Significant Accounting Policies

2.1. Basis of Preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. The financial statements have been prepared to comply in all material aspects with the accounting standards notified under Companies (Accounts) Rules, 2014, as amended from time to time and other relevant provisions of the Companies Act, 2013 except as stated in the notes below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.2. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

2.3. Plant, Property and Equipment and Depreciation

2.3.1. Plant, Property and Equipment

a. Tangible Assets

All tangible assets are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses to acquisition and installation.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

b. Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the new disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

2.3.2. Depreciation

a. Tangible Assets

Depreciation is provided on a pro-rata basis on the straight-line method ('SLM') over the useful lives of the assets specified in Schedule II of the Companies Act, 2013.

c. Intangible Assets

Intangible Assets are amortized on a straight-line basis over their estimated useful lives.

b. Impairment

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

2.4. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are stated at cost, except where there is a diminution in value (other than temporary) in which case the carrying value is reduced to recognise such a decline. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

2.5. Inventories

Inventories comprise of raw materials, packing materials, work-in-progress, finished goods (manufactured and traded) and engineering stores. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on First-In-First-Out basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of work-in-progress and manufactured finished goods comprises of materials, direct labour, other direct costs and related production overheads.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.6. Employee Benefits

a. Defined Contribution Plans

The Company's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

b. Defined Benefit Plans

The Company contributes to Defined Benefit Plans comprising of Gratuity Fund and Leave Encashment.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan"), administered by an insurer, covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Leave Encashment

The Company provides for leave encashment on actual payment basis only.

c. Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services.

2.7. Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.8. Revenue Recognition

Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties.

Dividend income is recognised when the right to receive dividend is established.

Revenue in respect of other types of income is recognised when no significant uncertainty exists regarding realisation of such income.

2.9. Government Grants

Government grants in the nature of revenue receipts are recognised in the Statement of Profit and Loss when there is reasonable certainty of its receipt from the Government in the period to which they relate.

Government grants in the nature of capital receipts are deducted from the cost of assets against which such grants have been recognised. Such grants are recognised when there is reasonable certainty of its receipt from the Government.

2.10. Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

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. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit is written down to the extent that there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.11. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.12. Borrowing Costs

Borrowing costs, if any, directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.13. Segment Reporting

The Company operates under a single operating segment in accordance with Accounting Standard 17 - 'Segment Reporting' and hence, segment reporting is not applicable to the Company.

2.14. Prior Period Items, Exceptional and Extraordinary Items



The Company follows the practice of making adjustments through 'prior year adjustments' in respect of all material transactions pertaining to the period prior to the current accounting year. The prior period adjustments, if any, are shown by way of notes to financial statements.

Exceptional and Extra Ordinary Items, if any, are shown separately as per applicable accounting standards.

2.15. Earnings per Share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20.

Notes to Financial Statements for the period ended March 31, 2021

3. Share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Authorised				
25,000,000 (25,000,000) Equity shares of Rs. 10 each		<u>250,000,000</u>		<u>250,000,000</u>
Issued, subscribed and paid up				
24,999,000 (24,999,000) Equity shares of Rs. 10 each		<u>249,990,000</u>		<u>249,990,000</u>

3.1 Reconciliation of shares outstanding at the beginning and end of the period

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
At the commencement of the period	24,999,000	249,990,000	24,999,000	249,990,000
<u>Addition during the period</u>				
Total addition during the period	-	-	-	-
<u>Reduction during the period</u>				
Total reduction during the period	-	-	-	-
At the end of the period	24,999,000	249,990,000	24,999,000	249,990,000

3.2 Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Amit Vallabhbhai Gadhiya	1,820,100	7.28%	1,820,100	7.28%
Ashokbhai Sukanbhai Bhalala	1,530,000	6.12%	1,530,000	6.12%
Nipaben Vikashbhai Sorathiya	1,938,500	7.75%	1,938,500	7.75%
Ilaben Dineshbhai Paghdar	1,602,000	6.41%	1,602,000	6.41%
Pravinbhai Shukanbhai Bhalala	1,330,000	5.32%	1,330,000	5.32%
Rekhaben Harikrishna Chauhan	2,160,000	8.64%	2,160,000	8.64%
Sonal Prakashkumar Sorathia	1,936,500	7.75%	1,936,500	7.75%

3.3 Aggregate no. of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years (or lesser) immediately preceding the reporting date - not applicable

3.4 Rights, preferences and restrictions attached to shares
Equity shares

The Company has one class of equity shares having a face value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

4. Reserves and surplus

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Securities Premium Account				
As per last Balance Sheet	29,970,000	29,970,000	29,970,000	29,970,000
Surplus/(Deficit) in Statement of Profit and Loss				
As per last Balance Sheet	70,181,999		127,498,359	
Profit/Loss for the period	12,425,400		(57,316,360)	
		82,607,399		70,181,999
Total		112,577,399		100,151,999

5. Long-term borrowings

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Secured				
<u>Rupee term loans</u>				
from banks	90,624,652	90,624,652	77,626,559	77,626,559
<u>Loans for assets</u>				
Vehicle loans	152,246	152,246	395,403	395,403
Unsecured				
<u>Rupee term loans</u>				
from others	-	-	4,565,528	4,565,528
<u>Loans and advances from related parties</u>				
from directors/promoters	36,261,654		32,861,654	
from others	9,228,913		9,228,913	
		45,490,567		42,090,567
Total		136,267,465		124,678,057

5.1 Terms of repayment, nature of security and rate of interest in case of secured loans

Financier/ Category	Nature of security	Terms of repayment	Personal security of promoters, shareholders, third parties etc.	Rate of interest	Guaranteed by	
					Directors	Others
Rupee loans from banks	Hypothecation of plant & machinery and equipments of Company and mortgage of land and buildings situated at Plot No. 2, Survey No. 102/2, Vill Haripar, Tal: Kalawad, Dist Jamnagar	Repayable in 44-47 Installments	Yes	8.8%- 12%	Yes	Yes
Vehicle loans	Hypothecation of the respective vehicle	Repayable in 36 Installments	No	9.50%	No	No

5.2 Amount of secured loans outstanding

Secured financier	Outstanding (in Rs.)*	
	As at March 31, 2021	As at March 31, 2020
South Indian Bank	151,140,560	131,872,007
HDFC Bank	395,403	617,700
Total	151,535,963	132,489,707

*includes current portion of long-term borrowings, if any. See note 9 of the financial statements.

5.3 Terms of repayment and rate of interest in case of unsecured loans

Financier/ Category	Terms of repayment	Personal security of promoters, shareholders, third parties etc.	Rate of interest	Guaranteed by		Outstanding (in Rs.)*	
				Directors	Others	As at March 31, 2021	As at March 31, 2020
Loans from directors	Repayable at the option of the Company post completion of repayment of secured loans	No	12.00%	No	No	36,261,654	32,861,654
Loans from relatives of directors	Repayable at the option of the Company post completion of repayment of secured loans	No	12.00%	No	No	9,228,913	9,228,913
Total						45,490,567	42,090,567

*includes current portion of long-term borrowings, if any. See note 9 of the financial statements.

6. Deferred tax liabilities (net)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Deferred tax liabilities on account of timing differences				
Depreciation	43,486,004		42,163,735	
		43,486,004		42,163,735
Deferred tax assets on account of timing differences				
Employee benefits	327,420		715,185	
Unabsorbed depreciation	16,301,287		341,858	
		16,628,707		1,057,043
Total		26,857,296		41,106,692

6.1 Notes

1. Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

7. Long-term provisions

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Provision for employee benefits		1,179,652		2,597,489
Total		1,179,652		2,597,489

8. Short-term borrowings

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Secured				
Working capital loans from banks		50,012,549		89,488,425
Total		50,012,549		89,488,425

8.1 Terms of repayment, nature of security and rate of interest in case of secured loans

Financier/ Category	Nature of security	Terms of repayment	Personal security of promoters, shareholders, third parties etc.	Rate of interest	Guaranteed by	
					Directors	Others
Working capital loans from banks	Hypothecation of stock, book debts, other receivables and all other current assets of the Company	Repayable on demand	Yes	10.05%	Yes	Yes

8.2 Amount of secured loans outstanding

Secured financier	Outstanding (in Rs.)	
	As at March 31, 2021	As at March 31, 2020
South Indian Bank	50,012,549	89,488,425
Total	50,012,549	89,488,425

9. Other current liabilities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Current maturities of long-term debt (see note 5)		64,639,839		68,516,290
Interest accrued but not due on borrowings		1,480,299		1,067,867
Statutory dues (including withholding taxes)		2,877,800		2,028,423
Accrued expenses payable		5,473,697		3,050,284
Other advances received		19,809		-
Employee related liabilities		6,385,962		6,543,069
Total		80,877,406		81,205,932

10. Short-term provisions

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Provision for employee benefits		79,655		153,223
Total		79,655		153,223

Notes to Financial Statements for the period ended March 31, 2021

11. Property, plant and equipment

Particulars	Gross Block					Depreciation/Amortization					Net Block	
	Opening as at 01/04/2020	Additions	Deductions	Other adjustments	As at 31/03/2021	Opening as at 01/04/2020	Depreciation/Amortization	Deductions	Other adjustments	As at 31/03/2021	As at 31/03/2021	As at 31/03/2020
Tangible assets												
Land												
Freehold	6,359,610	-	-	-	6,359,610	-	-	-	-	-	6,359,610	6,359,610
Sub-total	6,359,610	-	-	-	6,359,610	-	-	-	-	-	6,359,610	6,359,610
Buildings												
Owned	105,880,239	-	-	-	105,880,239	17,374,701	3,352,874	-	-	20,727,575	85,152,664	88,505,538
Sub-total	105,880,239	-	-	-	105,880,239	17,374,701	3,352,874	-	-	20,727,575	85,152,664	88,505,538
Plant and equipment												
Owned	566,447,104	4,464,400	-	-	570,911,505	174,835,815	35,940,835	-	-	210,776,650	360,134,854	391,611,289
Sub-total	566,447,104	4,464,400	-	-	570,911,505	174,835,815	35,940,835	-	-	210,776,650	360,134,854	391,611,289
Furniture and fixtures												
Owned	2,084,828	377,128	-	-	2,461,957	944,725	206,009	-	-	1,150,734	1,311,223	1,140,104
Sub-total	2,084,828	377,128	-	-	2,461,957	944,725	206,009	-	-	1,150,734	1,311,223	1,140,104
Motor vehicles												
Owned	2,501,412	-	-	-	2,501,412	802,964	294,511	-	-	1,097,475	1,403,937	1,698,448
Sub-total	2,501,412	-	-	-	2,501,412	802,964	294,511	-	-	1,097,475	1,403,937	1,698,448
Computer equipment												
Owned	1,302,681	227,056	-	-	1,529,737	1,302,681	12,406	-	-	1,315,086	214,651	0
Sub-total	1,302,681	227,056	-	-	1,529,737	1,302,681	12,406	-	-	1,315,086	214,651	0
Office equipment												
Owned	15,553,139	126,434	-	-	15,679,573	7,828,713	1,573,934	-	-	9,402,646	6,276,926	7,724,426
Sub-total	15,553,139	126,434	-	-	15,679,573	7,828,713	1,573,934	-	-	9,402,646	6,276,926	7,724,426
Total (I)	700,129,014	5,195,019	-	-	705,324,033	203,089,598	41,380,569	-	-	244,470,167	460,853,866	497,039,416
Intangible assets												
Total (II)	-	-	-	-	-	-	-	-	-	-	-	-
Grand total (I)+(II)	700,129,014	5,195,019	-	-	705,324,033	203,089,598	41,380,569	-	-	244,470,167	460,853,866	497,039,416

11A. Property, plant and equipment

Particulars	Gross Block					Depreciation/Amortization					Net Block	
	Opening as at 01/04/2019	Additions	Deductions	Other adjustments	As at 31/03/2020	Opening as at 01/04/2019	Depreciation/Amortization	Deductions	Other adjustments	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
Tangible assets												
Land												
Freehold	6,359,610	-	-	-	6,359,610	-	-	-	-	-	6,359,610	6,359,610
Sub-total	6,359,610	-	-	-	6,359,610	-	-	-	-	-	6,359,610	6,359,610
Buildings												
Owned	105,392,373	487,866	-	-	105,880,239	14,020,838	3,353,863	-	-	17,374,701	88,505,538	91,371,535
Sub-total	105,392,373	487,866	-	-	105,880,239	14,020,838	3,353,863	-	-	17,374,701	88,505,538	91,371,535
Plant and equipment												
Owned	520,550,559	45,896,545	-	-	566,447,104	139,218,291	35,617,524	-	-	174,835,815	391,611,289	381,332,268
Sub-total	520,550,559	45,896,545	-	-	566,447,104	139,218,291	35,617,524	-	-	174,835,815	391,611,289	381,332,268
Furniture and fixtures												
Owned	2,084,828	-	-	-	2,084,828	746,666	198,059	-	-	944,725	1,140,104	1,338,163
Sub-total	2,084,828	-	-	-	2,084,828	746,666	198,059	-	-	944,725	1,140,104	1,338,163
Motor vehicles												
Owned	2,460,544	770,798	729,930	-	2,501,412	982,450	289,071	468,557	-	802,964	1,698,448	1,478,094
Sub-total	2,460,544	770,798	729,930	-	2,501,412	982,450	289,071	468,557	-	802,964	1,698,448	1,478,094
Computer equipment												
Owned	1,302,681	-	-	-	1,302,681	1,302,681	-	-	-	1,302,681	0	0
Sub-total	1,302,681	-	-	-	1,302,681	1,302,681	-	-	-	1,302,681	0	0
Office equipment												
Owned	15,553,139	-	-	-	15,553,139	6,262,799	1,565,914	-	-	7,828,713	7,724,426	9,290,340
Sub-total	15,553,139	-	-	-	15,553,139	6,262,799	1,565,914	-	-	7,828,713	7,724,426	9,290,340
Total (I)	653,703,735	47,155,209	729,930	-	700,129,014	162,533,724	41,024,431	468,557	-	203,089,598	497,039,416	491,170,011
Intangible assets												
Total (II)	-	-	-	-	-	-	-	-	-	-	-	-
Grand total (I)+(II)	653,703,735	47,155,209	729,930	-	700,129,014	162,533,724	41,024,431	468,557	-	203,089,598	497,039,416	491,170,011

12. Non-current investments

Particulars	Face Value (in Rs. except stated otherwise)	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
		Nos.	Nos.	Amount in Rs.	Amount in Rs.
<u>Non-trade investments</u>					
Mutual Funds					
(At cost) (Quoted)					
SBI Corporate Bond Fund - Regular Plan Growth	10.00	303,309.00	303,309.00	3,100,000	3,100,000
Total				3,100,000	3,100,000

12.1 Aggregate value of quoted and unquoted investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Cost in Rs.	Market Value in Rs.	Cost in Rs.	Market Value in Rs.
Aggregate value of quoted investments	3,100,000	3,664,610	3,100,000	-
Aggregate value of unquoted investments	-	-	-	-
Total	3,100,000		3,100,000	

13. Long-term loans and advances

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Unsecured				
<u>Security deposits</u>				
Considered good	74,937		74,937	
	<u>74,937</u>		<u>74,937</u>	
		74,937		74,937
Total		74,937		74,937

14. Other non-current assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Unsecured				
<u>Long-term deposits with banks having maturity period more than 12 months</u>				
Considered good	15,521,368		14,575,398	
	15,521,368		14,575,398	
		15,521,368		14,575,398
Total		15,521,368		14,575,398

15. Inventories

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Raw materials		92,609,804		37,557,797
Work-in-progress		28,859,158		23,413,649
Finished goods		32,430,041		38,695,294
Stock-in-trade		2,535,710		-
Total		156,434,712		99,666,740

15.1 Details of inventories

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Raw materials				
Cotton bales	85,629,041		29,692,087	
Packing material	6,980,763		7,865,710	
		92,609,804		37,557,797
Work-in-progress				
Semi-finished cotton yarn	28,859,158		23,413,649	
		28,859,158		23,413,649
Finished goods				
Cotton yarn	28,420,566		28,330,603	
Cotton waste bales & dust	4,009,475		10,364,691	
		32,430,041		38,695,294
Stock-in-trade				
Cotton yarn	2,535,710		-	
		2,535,710		-
Total		156,434,712		99,666,740

15.2 Notes

1. Inventories have been certified by the management of the Company.

16. Trade receivables

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Outstanding for a period exceeding six months from the date they are due for payment				
<u>Unsecured</u>				
Considered good	300,000		634,494	
	300,000		634,494	
		300,000		634,494
Others				
<u>Unsecured</u>				
Considered good	31,131,420		44,836,474	
	31,131,420		44,836,474	
		31,131,420		44,836,474
Total		31,431,420		45,470,967

17. Cash and bank balances

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Cash and cash equivalents				
Balances with banks				
Other bank balances	152,574		163,739	
	<u>152,574</u>		<u>163,739</u>	
Cash on hand	736,423		954,846	
		888,997		1,118,585
Total		888,997		1,118,585

18. Short-term loans and advances

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Unsecured				
<u>Advances to suppliers</u>				
Considered good	7,784,612		5,279,208	
	<u>7,784,612</u>		<u>5,279,208</u>	
<u>Loans/Advances to employees</u>				
Considered good	132,898		9,888	
	<u>132,898</u>		<u>9,888</u>	
<u>Advances recoverable in cash or in kind or for value to be received</u>				
Considered good	157,454		32,080	
	<u>157,454</u>		<u>32,080</u>	
<u>Prepaid expenses</u>				
Considered good	552,736		501,116	
	<u>552,736</u>		<u>501,116</u>	
<u>Others</u>				
<u>Advance tax</u>				
Advance income-tax paid	1,200,000		-	
Tax deducted at source	461,944		-	
	<u>1,661,944</u>		<u>-</u>	
MAT credit entitlement	26,242,956		26,242,956	
VAT receivable	-		6,441,218	
Other taxes receivable	98,084		274,000	
Balances with statutory authorities	5,960,411		7,536,297	
		42,591,095		46,316,763
Total		42,591,095		46,316,763

19. Other current assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Unsecured				
Other current assets	22,348,154	22,348,154	35,211,921	35,211,921
Total		22,348,154		35,211,921

19.1 Notes

1. Other current assets includes government grants receivable of Rs. 22,348,154 (PY Rs. 35,211,921).

20. Revenue from operations

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Revenue from sale of products	1,102,360,580	1,102,360,580	1,090,965,467	1,090,965,467
<u>Other operating revenue</u>				
Other misc. operating revenues	(6,980,417)	(6,980,417)	-	-
Total		1,095,380,163		1,090,965,467

20.1 Disclosure of categories of products/services

Revenue from products (net of taxes, if any)

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Manufactured (Rs.)	Traded (Rs.)	Manufactured (Rs.)	Traded (Rs.)
Revenue from export sales				
Sub-total (A)	-	-	-	-
Revenue from domestic sales				
<u>Finished goods</u>				
Cotton yarn	888,341,950	-	1,055,964,226	-
Cotton waste bales & dust	168,054,511	-	35,631,928	-
<u>Stock-in-trade</u>				
Cotton yarn	-	48,747,031	-	-
Scrap	378,670	-	62,616	-
Sub-total (B)	1,056,775,131	48,747,031	1,091,658,770	-
Total (A)+(B)	1,056,775,131	48,747,031	1,091,658,770	-
Total gross sales (export + domestic)		1,105,522,162		1,091,658,770
Less: Discounts/Rebates on sale of products		3,145,457		693,303
Less: Other allowances and deductions from sale of products		16,125		-
Revenue from sale of products		1,102,360,580		1,090,965,467

20.2 Notes

Other misc. operating revenue consists of loss incurred on hedging of material costs of Rs. 69,80,417(PY Rs. nil)

21. Other income

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
<u>Interest income</u>				
From non-current sources	1,055,875		968,615	
		1,055,875		968,615
<u>Other non-operating income</u>				
Net gain on disposal/discarding of tangible assets	-		45,447	
Income from government grants/subsidies	12,330,089		18,332,070	
Misc. other non-operating income	-		574,800	
		12,330,089		18,952,317
Total		13,385,964		19,920,932

22. Cost of materials consumed

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Opening inventory		37,557,797		74,904,607
Add: Purchases (net)		884,528,895		887,540,682
Less: Closing inventory		92,609,804		37,557,797
Total		829,476,889		924,887,492

22.1 Materials consumed consist of

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Cotton bales		816,344,374		737,593,649
Packing material		13,132,514		9,498,477
Semi finished cotton yarn		-		177,795,367
Total		829,476,889		924,887,492

23. Purchase of stock-in-trade

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Stock-in-trade		53,655,890		-
Total		53,655,890		-

23.1 Purchase of stock-in-trade consists of

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Cotton yarn		53,655,890		-
Total		53,655,890		-

24. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Opening inventory				
Finished goods	38,695,294		23,944,161	
Work-in-progress	23,413,649		32,726,504	
Stock-in-trade	-		-	
		62,108,943		56,670,665
Closing inventory				
Finished goods	32,430,041		38,695,294	
Work-in-progress	28,859,158		23,413,649	
Stock-in-trade	2,535,710		-	
		63,824,908		62,108,943
Total		(1,715,966)		(5,438,278)

25. Employee benefit expense

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Salaries and wages		44,779,180		54,542,321
Contribution to provident fund and other funds		436,048		477,385
Staff welfare expenses		227,225		12,206
Other employee related expenses		1,906,790		1,071,953
Total		47,349,243		56,103,865

26. Finance costs

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Interest expense				
<u>On long-term loans</u>				
from banks	12,428,690		14,162,791	
from others	3,255,230		7,202,199	
	15,683,920		21,364,989	
<u>On short-term loans</u>				
from banks	9,114,642		7,845,303	
	9,114,642		7,845,303	
On other borrowings and/or late payments	9,668		410	
		24,808,230		29,210,702
Other borrowing costs		425,229		1,379,928
Total		25,233,459		30,590,630

26.1 Notes

Interest expense on long-term loans is net of interest subsidy recognised of C.Y. Rs. 20,39,081 (P.Y. Rs. 32,18,026)

27. Other expenses

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Consumption of stores and spares		9,112,848		4,807,739
Processing/Jobwork charges		-		2,425,626
Power and fuel		179,915		96,717
Electricity expense		94,881,299		92,602,625
Water charges		-		63,800
Factory expense		330,291		165,019
Rent expense		360,000		371,145
<u>Repairs and maintenance</u>				
Plant and machinery	220,513		3,540	
Others	496,586		496,616	
		717,099		500,156
Insurance		1,279,266		916,615
Rates and taxes		340,087		5,000
Subscription and membership fees		-		9,000
Telephone and postage		104,204		78,844
Printing and stationery		83,349		126,737
Donations and related subscriptions		485,000		400,000
Books and periodicals		2,984		4,700
Registration and filing fees		1,090,280		1,149,582
Legal and professional charges		628,700		351,020
Bank charges		82,784		1,163,605
Travelling and conveyance		30,200		11,075
Vehicle running expenses		1,634,681		947,608
Safety and security expenses		1,129,400		1,083,333
Information technology expenses		138,300		138,904
<u>Payment to auditors</u>				
Audit services	211,000		211,000	

	211,000	211,000
Payments to cost auditor		
Cost audit services	30,000	6,000
	30,000	6,000
Payments for technical services	67,729	16,200
Advertising and sales promotion expenses	34,225	8,095
Commission to selling agents (other than sole selling agents)	2,075,413	1,507,095
Freight expenses	63,550	540,550
Loading and unloading costs	2,500	-
Miscellaneous expenses	114,935	51,716
Total	115,210,039	109,759,505

27.1 Notes

Electricity expense is net of power subsidy recognized of C.Y.Rs. Nil (P. Y. Rs. 79,41,895)

28. Earnings per share

Particulars	Period ended March 31, 2021	Period ended March 31, 2020
Net profit/(loss) for basic EPS calculation (in Rs.)	12,425,400	(57,316,360)
Weighted average no. of equity shares for basic EPS calculation	24,999,000	24,999,000
Basic EPS (in Rs. per share)	0.50	(2.29)
Basic EPS from continuing operations (in Rs. per share)	0.50	(2.29)
Diluted EPS (in Rs. per share)	0.50	(2.29)
Diluted EPS from continuing operations (in Rs. per share)	0.50	(2.29)

29. Source wise bifurcation of materials, stores and spares consumed

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	%	Amount in Rs.	%
Materials consumed				
Imported	-	0.00%	-	0.00%
Indigenous	829,476,889	100.00%	924,887,492	100.00%
	829,476,889	100.00%	924,887,492	100.00%
Stores and spares consumed				
Imported	-	0.00%	-	0.00%
Indigenous	9,112,848	100.00%	4,807,739	100.00%
	9,112,848	100.00%	4,807,739	100.00%

30. Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under

The Company has requested its suppliers to give information about their status as Micro, Small or Medium Enterprises as defined under the MSMED Act, 2006. In absence of this information, the Company is unable to provide the details regarding the over dues to such enterprises.

31. Related party transactions

31.1 List of related parties

Other related parties where common control exists

A. Patel Alloys
Tricot Impex Pvt Ltd #

Key Management Personnel ("KMP") and their relatives

Whole-time directors ("WTDs")/Executive directors etc.

Ashokbhai Bhalala
Amitbhai Gadhiya
Harikrishna Chauhan
Ilaben Paghadar

Relative of WTDs/Executive directors

Chetnaben Bhalala #
Harikrishna Chauhan HUF
Rekhaben Harikrishna Chauhan
Ashokbhai Bhalala HUF
Pooja Amitbhai Gadhiya
Harry Dineshbhai Paghdar

Other KMPs and their relatives

Pratik Raiyani (resigned w.e.f. 24th July, 2020)
Paresh Bhalala #
Pravin Bhalala #
Jalpaben Bhalala #
Kantaben Gadhiya
Manubhai Gajera #
Narmadaben Chauhan #
Nayan Gadhiya #
Nipaben Sorathiya #
Pareshbhai Jethva #
Pareshbhai Bhalala HUF #
Pravinaben Gohil
Pravinbhai Bhalala HUF #
Sarojben Bhalala #
Shukanbhai Bhalala HUF #

Sonal Sorathia
Chandni Chhabariya #
Shukanbhai Bhalala #
Dineshbhai Paghadar
Kishorbhai M. Kikani (Appointed w.e.f. 16th February,2021)
Jagdish D. Otradi (Appointed w.e.f. 16th February,2021)
Ashwin Chavda (resigned w.e.f. 26th August, 2020)
There are no transactions during the year with the above entities

31.2 Details of transactions with related parties

(in Rs.)

Details of transactions	Subsidiaries/JCEs/Asso. / Controlling Co./Intermediates		Other related parties		Key Management Personnel and relatives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from sale of goods								
A. Patel Alloys	-	-	588,517	4,988,000	-	-	588,517	4,988,000
Total	-	-	588,517	4,988,000	-	-	588,517	4,988,000
Interest paid								
Rekhaben Chauhan	-	-	-	-	400,238	401,852	400,238	401,852
Paresh Bhalala	-	-	-	-	-	30,939	-	30,939
Pareshbhai Bhalala HUF	-	-	-	-	-	14,922	-	14,922
Pooja Amitbhai Gadhiya	-	-	-	-	-	22,936	-	22,936
Pravin Bhalala	-	-	-	-	-	13,806	-	13,806
Pravinbhai Bhalala HUF	-	-	-	-	-	17,398	-	17,398
Sarojben Bhalala	-	-	-	-	-	16,057	-	16,057
Shukanbhai Bhalala HUF	-	-	-	-	-	15,393	-	15,393
Shukanbhai Bhalala	-	-	-	-	-	14,894	-	14,894
Amitbhai Gadhiya	-	-	-	-	606,954	555,757	606,954	555,757
Ashokbhai Bhalala	-	-	-	-	-	703,859	-	703,859
Ashokbhai Bhalala HUF	-	-	-	-	-	24,032	-	24,032
Chetnaben Bhalala	-	-	-	-	-	33,225	-	33,225
Harikrishna Chauhan	-	-	-	-	60,595	50,718	60,595	50,718
Ilaben Paghdar	-	-	-	-	532,537	413,515	532,537	413,515
Jalpaben Bhalala	-	-	-	-	-	18,730	-	18,730
Kantaben Gadhiya	-	-	-	-	-	14,672	-	14,672
Nayanbhai Gadhiya	-	-	-	-	-	15,280	-	15,280
Total	-	-	-	-	1,600,324	2,377,985	1,600,324	2,377,985

Loans/Advances accepted								
Amitbhai Gadhiya	-	-	-	-	-	4,135,000	-	4,135,000
Ashokbhai Bhalala	-	-	-	-	-	7,285,000	-	7,285,000
Harikrishna Chauhan	-	-	-	-	3,400,000	500,000	3,400,000	500,000
Ilaben Paghadar	-	-	-	-	-	8,900,000	-	8,900,000
Total	-	-	-	-	3,400,000	20,820,000	3,400,000	20,820,000
Accepted loans/advances repaid								
Ashokbhai Bhalala	-	-	-	-	-	1,000,000	-	1,000,000
Ashokbhai Bhalala HUF	-	-	-	-	-	1,903,877	-	1,903,877
Chetnaben Bhalala	-	-	-	-	-	2,412,792	-	2,412,792
Kantaben Gadhiya	-	-	-	-	-	1,147,457	-	1,147,457
Nayan Gadhiya	-	-	-	-	-	1,793,696	-	1,793,696
Paresh Bhalala	-	-	-	-	-	2,323,601	-	2,323,601
Pravinaben Gohil	-	-	-	-	-	1,036,851	-	1,036,851
Total	-	-	-	-	-	11,618,274	-	11,618,274
Other income/expense transactions with related parties								
Pareshbhai Jethva	-	-	-	-	-	303,300	-	303,300
Sarojben Bhalala	-	-	-	-	-	280,100	-	280,100
Shukanbhai Bhalala	-	-	-	-	-	273,100	-	273,100
Chetnaben Bhalala	-	-	-	-	-	296,900	-	296,900
Jalpaben Bhalala	-	-	-	-	-	298,100	-	298,100
Poojaben Gadhiya	-	-	-	-	221,246	280,100	221,246	280,100
Pareshbhai Bhalala	-	-	-	-	-	391,900	-	391,900
Pravinaben Gohil	-	-	-	-	251,995	294,500	251,995	294,500
Rekhaben Chauhan	-	-	-	-	377,993	404,300	377,993	404,300
Gordhanbhai Gadhiya	-	-	-	-	25,000	288,212	25,000	288,212
Harry Dineshbhai Paghdar	-	-	-	-	64,699	-	64,699	-
Kantaben Gadhiya	-	-	-	-	251,995	267,000	251,995	267,000
Total	-	-	-	-	1,192,928	3,377,512	1,192,928	3,377,512

Remuneration to KMPs								
Ashwin Chavda	-	-	-	-	105,000	84,250	105,000	84,250
Chandni Chhabariya	-	-	-	-	-	50,000	-	50,000
Pratik Raiyani	-	-	-	-	106,000	335,000	106,000	335,000
Ilaben Paghdar	-	-	-	-	360,000	480,000	360,000	480,000
Ashokbhai Bhalala	-	-	-	-	75,000	970,000	75,000	970,000
Amitbhai Gadhiya	-	-	-	-	575,000	900,000	575,000	900,000
Kishorbhai M. Kikani	-	-	-	-	50,794	-	50,794	-
Jagdish D. Otradi	-	-	-	-	164,742	-	164,742	-
Harikrishna Chauhan	-	-	-	-	600,000	950,000	600,000	950,000
Total	-	-	-	-	2,036,536	3,769,250	2,036,536	3,769,250
Rent Paid								
Rekhaben Chauhan	-	-	-	-	180,000	180,000	180,000	180,000
Sonalben Sorathiya	-	-	-	-	180,000	180,000	180,000	180,000
Total	-	-	-	-	360,000	360,000	360,000	360,000

31.3 Details of account balances with related parties

(in Rs.)

Account balances	Subsidiaries/JCEs/Asso. / Controlling Co./Intermediates		Other related parties		Key Management Personnel and relatives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Loans from related parties								
Rekhaben Chauhan	-	-	-	-	6,688,961	6,688,961	6,688,961	6,688,961
Ilaben Pagdhar	-	-	-	-	8,900,000	8,900,000	8,900,000	8,900,000
Rajdeepbhai Tala	-	-	-	-	2,539,953	2,539,953	2,539,953	2,539,953
Amitbhai Gadhiya	-	-	-	-	10,143,687	10,143,687	10,143,687	10,143,687
Ashokbhai Bhalala	-	-	-	-	12,847,967	12,847,967	12,847,967	12,847,967
Harikrishna Chauhan	-	-	-	-	4,370,000	970,000	4,370,000	970,000
Total	-	-	-	-	45,490,568	42,090,568	45,490,568	42,090,568
Trade receivables								
A. Patel Alloys	-	-	-	588,517	-	-	-	588,517
Total	-	-	-	588,517	-	-	-	588,517
Other balances								
Rekhaben Chauhan	-	-	-	-	370,220	180,602	370,220	180,602
Ilaben Pagdhar	-	-	-	-	492,597	240,300	492,597	240,300
Amitbhai Gadhiya	-	-	-	-	561,432	273,880	561,432	273,880
Ashokbhai Bhalala	-	-	-	-	-	346,895	-	346,895
Harikrishna Chauhan	-	-	-	-	56,050	26,190	56,050	26,190
Total	-	-	-	-	1,480,299	1,067,867	1,480,299	1,067,867



Pratik R. Raiyani has resigned from the services on 24th July, 2020.
 Ashwin Chavda has resigned from the services on 26th August, 2020.
 Jagdish D. Otradi and Kishor M. Kikani were appointed on 16th February, 2021

32. Segment reporting

The Company operates under a single reporting segment and hence, segment reporting is not applicable to the Company as per AS 17 - Segment Reporting.

33. Employee benefits

The Company has various schemes for long-term benefits such as Provident Fund, Gratuity and Leave Encashment. The Company's defined contribution plans are Provident Fund (in case of certain employees) (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Gratuity, and Leave Encashment. The Company accounts for leave encashment on actual payment basis only.

33.1 Change in defined benefit obligation

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Gratuity (Non-funded)				
Present value of defined benefit obligation as at the beginning of the period		2,750,712		1,684,678
Current service cost		915,104		1,017,758
Interest cost		145,738		112,354
Actuarial (gain)/loss		(2,552,247)		(64,078)
Present value of defined benefit obligation as at the end of the period		1,259,307		2,750,712

33.2 Reconciliation of present value of defined benefit obligation and fair value of plan assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Gratuity (Non-funded)				
Present value of funded obligation as at the end of the year		1,259,307		2,750,712
Unfunded liability/(assets) recognised in the balance sheet		1,259,307		2,750,712
Liability recognised under				
Long-term provisions (see note 7)		1,179,652		2,597,489
Short-term provisions (see note 10)		79,655		153,223

33.3 Reconciliation of present value of defined benefit obligation and fair value of plan assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Gratuity (Non-funded)				
Current service cost		915,104		1,017,758
Interest cost		145,738		112,354
Net actuarial (gain)/loss		(2,552,247)		(64,078)
Total expense/(income) recognised in the Statement of Profit and Loss		(1,491,405)		1,066,034

33.4 Principal actuarial assumptions used

Particulars	As at March 31, 2021		As at March 31, 2020	
	%		%	
Gratuity (Non-funded)				
Discount rate (per annum)		5.20%		5.45%
Expected rate of increase in salaries		7.00%		7.00%

33.5 Contribution to defined contribution plans

Particulars	Period ended March 31, 2021		Period ended March 31, 2020	
	Amount in Rs.	Amount in Rs.	Amount in Rs.	Amount in Rs.
Provident Fund		436,048		477,385
Total		436,048		477,385



34. Other notes

1. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signature to notes 1 to 34 of the financial statements.

For, H. B. Kalaria & Associates

Chartered Accountants

Firm Registration No. 104571W

For and on behalf of the Board of Directors,

Amit V. Gadhiya

Managing Director

DIN: 06604671

Harikrishna Chauhan

Whole Time Director

DIN: 07710106

Hasmukh B. Kalaria

Partner

Mem. No. 042002

Jagdish D. Otradi

CFO

PAN: ABFPO7856C

Kishor M. Kikani

CS

PAN: AVXPk4815H

Rajkot, June 28, 2021

Haripar, June 28, 2021



AKSHAR SPINTEX LIMITED

REGD. OFFICE:

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