Axita Cotton Limited

Mfg. & Exporter of Cotton

ISO 9001:2015 CERTIFIED

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

Reg. Office : Servey No. 324, 357, 358, Kadi Thol Road, Borisana Kadi, Mahesana-382715. Gujarat. India
Tele : +91 6358747514 | E-mail : cs@axitacotton.com | Website : www.axitacotton.com

Date: September 02, 2019

To,
Department of Corporate Service
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street,
Mumbai-400 001.

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

Respected Sir/Madam,

Sub: Submission of Annual Report of the Company for the Financial Year 2018-19.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of Annual Report of the Company for the financial year 2018-19 along with notice of 6th (Sixth) Annual General Meeting of the Company.

The above is also uploaded on Company's website at **www.axitacotton.com**

You are requested to take the same on your record.

Yours Faithfully,

For, Axita Cotton Limited

AXITA COTTON LIMITED INDIA

Deepak Chaubisa
Company Secretary & Compliance Officer

Encl: A/a

AXITA COTTON LIMITED

6th Annual Report - 2018-19

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OUR PRODUCTS

GLIMPSES OF LISTING CEREMONY

CHAIRMAN'S MESSAGE TO STAKEHOLDERS

Nitin Patel

Chairman cum Managing Director

Dear Shareholders,

It gives me immense pleasure to share my view with our valued stakeholders and present 6th Annual Report for the financial year 2018-19. As it is the first annual report after listing it gives me immense pleasure to share with you that your Company has made formidable progress over the last fiscal. It has been a year of transformation and a new beginning for the company. The Company successfully came out with the Initial Public Offering (IPO) with appreciation and support of you all and has been listed on BSE SME Platform. We are fortunate and humbled by the response received for the Initial Public Offering (IPO) of the Equity Shares of Axita Cotton Limited. The Company has performed very positively and has accepted the changes in the company after listing. As we all know the responsibilities and performance level became high once company gets listed on recognized stock exchange.

Exceptionally skilled and dedicated employees have essentially result in Company for achieving successful results in FY 2018-19.

On behalf of the Board of Directors of Axita Cotton Limited, I take this opportunity to thank all our stakeholder for their continued support, confidence and faith reposed in Axita Cotton Limited, and I look forward to an exciting journey ahead, together.

Sd/-

Nitin Patel

Chairman cum Managing Director

CORPORATE INFORMATION

AXITA COTTON LIMITED

CIN: L17200GJ2013PLC076059

REGISTERED OFFICE	PLANT LOCATION
Servey No. 324 357 358, Kadi Thol Road Borisana, Kadi Mahesana-382715, Gujarat. Email: cs@axitacotton.com; **Website:** www.axitacotton.com	Servey No. 324 357 358, Kadi Thol Road Borisana, Kadi Mahesana-382715, Gujarat. **Mob. No.:** +91 63587 47514;

BOARD OF DIRECTORS

Name	(DIN)	Designation
Mr. Nitinbhai Govindbhai Patel	06626646	Chairman cum Managing Director
Mr. Kushal Nitinbhai Patel	06626639	Managing Director
Mr. Amitkumar Govindbhai Patel	06626585	Whole-Time Director
Mr. Dhruven Shaileshbhai Patel	08245083	Independent Director
Mrs. Diptiben Hemantkumar Patel	00111081	Independent Director
Mr. Rakesh Mahendrakumar Patel	08251021	Independent Director

KEY MANAGERIAL PERSONNEL

Name	Designation
Ms. Riya Amit Patel	CFO
Mr. Deepakkumar Kushalchandra Chaubisa	Company Secretary

AUDIT COMMITTEE

Name	Designation
Mr. Dhruven Shaileshbhai Patel	Chairperson
Mrs. Diptiben Hemantkumar Patel	Member
Mr. Amitkumar Govindbhai Patel	Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

Name	Designation
Mr. Dhruven Shaileshbhai Patel	Chairperson
Mr. Rakesh Mahendrakumar Patel	Member
Mrs. Diptiben Hemantkumar Patel	Member

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT	BANKERS
Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur, Shastri Maarg, Vikhroli (West), Mumbai-400 083, Maharashtra, **Tel. Number:** +91 22 4918 6200 **Email Id:** axita.ipo@linkintime.co.in **Website:** www.linkintime.co.in	Oriental Bank of Commerce ICICI Bank

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2019.

FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2019 is summarized below:

(Amount in ₹)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
Net Sales/Income from Operations (Net of GST)	2,11,79,84,021	1,23,27,02,529
Other Income	2,32,53,086	67,10,555
Total Income from Operations (Net)	**2,14,12,37,107**	**1,23,94,13,084**
Earnings Before Interest, Taxes, Depreciation and Amortization Expense	**3,05,20,162**	**3,50,19,918**
Less: Finance Cost	1,79,65,903	1,95,43,544
Less: Depreciation and Amortization Expense	56,49,982	42,63,636
Profit Before Tax	**69,04,277**	**1,12,12,738**
Less: Tax Expense	22,90,045	(3,70,857)
Profit After Taxation	**46,14,232**	**1,15,83,595**

COMPANY'S PERFORMANCE:

The total income from operations (net) of the Company for the year under review is ₹ 2,14,12,37,107 as compared to ₹ 1,23,94,13,084 in the previous year. Profit after taxation stood at ₹ 46,14,232 as compared to Profit after taxation of ₹ 1,15,83,595 in the previous year.

DIVIDEND:

With a view to conserve and save the resources for future prospect of the Company, your Directors regret to declare dividend for the financial year 2018-19.

TRANSFER TO RESERVES:

The Company has transferred of ₹ 46.14 Lakh (Profit for the current year) in Reserve and Surplus.

CHANGE IN NATURE OF BUSINESS:

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

CHANGE IN THE REGISTERED OFFICE:

The registered office of the Company has been changed from B-303, Ashutosh Avenue, Opp. Vasupujya Tower, Nr. Loyala Hall, Naranpura, Ahmedabad – 380 013 to Servey No. 324 357 358 Kadi Thol Road, Borisana, Kadi, Mahesana – 382 715 w.e.f. August 09 2018.

SHARE CAPITAL:

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

Authorized Capital:

During the year under review the Authorised Capital of the Company was increased to ₹ 7,00,00,000/- divided into 7000000 Equity Shares of ₹ 10/- each vide Ordinary Resolution passed by the Members in their Extra-ordinary General Meeting held on September 08, 2018.

Issued, Subscribed & Paid-up Capital:

During the year under review Company has allotted 2300000 Equity Shares on Right Issue Basis vide Board Resolution passed by the Board of Directors in their Board Meeting held on September 25, 2018 as a result paid up capital of the Company increases to ₹ 4,80,00,000/- divided into 4800000 Equity Shares of ₹ 10/- each.

Pursuant to the Initial Public Offer of Equity Shares by the Company, the Board of Directors, in their meeting held on January 08, 2019, has allotted total 1752000 Equity Shares ₹ 10/- each at price of ₹ 60/- per Equity Shares to the successful allottees, whose list have been finalized by the Company, the Registrar to the issue and merchant banker in consultation with BSE Limited.

The present paid-up capital of the Company is ₹ 6,55,20,000/- divided into 6552000 Equity Shares of ₹ 10/- each.

INITIAL PUBLIC OFFER AND LISTING OF EQUITY SHARES:

The Board of Directors had, in its meeting held on October 16, 2018, proposed the Initial Public Offer of 1800000 equity shares at such price as may be decided by the Board of Directors in consultation with the Merchant Banker. The Members of the Company had also approved the proposal of the Board of Directors in their Extra-ordinary General Meeting held on October 18, 2018.

Pursuant to the authority granted by the Members of the Company, the Board of Directors has appointed Beeline Broking Limited as Lead Manager and Link Intime India Private Limited as Registrar to the Issue and Share Transfer Agent for the proposed Public Issue.

The Company had applied to BSE Limited ("BSE") for in-principle approval for listing its equity shares on the SME Platform of the BSE. BSE Limited has, vide its letter dated, December 11, 2018, granted its In-Principle Approval to the Company.

The Company has filed Prospectus to the Registrar of the Company, Ahmedabad on December 14, 2018. The Public Issue was opened on Thursday, December 27, 2018 and closed on Wednesday, January 02, 2019. The Basis of Allotment was finalized by Company,

Registrar to the issue and merchant banker in consultation with the BSE Limited on January 08, 2019. The Company has applied for listing of its total equity shares to BSE Limited ("BSE') and BSE Limited ("BSE") has granted its approval vide its letter dated January 09, 2019. The trading of equity shares of the Company commenced on January 10, 2019 at SME Platform of BSE Limited ("BSE").

The Equity Shares of the Company are listed on the BSE Limited in SME Segment. The scrip code for Equity Share is 542285. The Company confirms that the annual listing fees to the stock exchange for the financial year 2019-20 have been paid.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Constitution of Board:

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

Name of Director	Category Cum Designation	Date of Appointment at current Term & designation	Total Directorship[2]	No. of Committee[1]		No. of Shares held as on March 31, 2019
				in which Director is Members	in which Director is Chairman	
Mr. Nitinbhai Patel	Chairman cum Managing Director	October 16 2018	2	-	-	1785500 Equity Shares
Mr. Kushal Patel	Managing Director	October 16 2018	2	-	-	1998524 Equity Shares
Mr. Amitkumar Patel	Whole-Time Director	October 16 2018	1	2	-	712200 Equity Shares
Mr. Dhruven Patel	Independent Director	October 18 2018	1	-	3	-
Mr. Diptiben Patel	Independent Director	October 18 2018	3	2	-	-
Mr. Rakesh Patel	Independent Director	October 18 2018	1	2	-	-

[1] Committee includes Audit Committee and Shareholders' Grievances Committee across all Public Companies.

[2] Excluding LLPs, Section 8 Company & struck of Companies.

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

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

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

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

Board Meeting:

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

During the year under review, Board of Directors of the Company met 22 times on April 06 2018; June 04 2018; August 02 2018; August 09 2018; August 10 2018; August 17 2018; August 24 2018; September 01 2018; September 04 2018; September 10 2018; September 25 2018; October 01 2018; October 16 2018; October 26, 2018; November 01 2018; December 14 2018; January 04 2019; January 08 2019; February 13 2019; March 08 2019; March 26 2019 and March 30 2019. The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

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

Name of Director	Mr. Nitinbhai Patel	Mr. Kushal Patel	Mr. Amitkumar Patel	Mr. Dhruven Patel~	Mrs. Diptiben Patel~	Mr. Rakesh Patel~
Number of Board Meeting held	22	22	22	22	22	22
Number of Board Meetings Eligible to attend	22	22	22	9	9	9
Number of Board Meeting attended	22	21	19	9	7	7
Presence at the previous AGM	Yes	Yes	Yes	Not Applicable	Not Applicable	Not Applicable

~ w.e.f. October 18, 2018

Independent Directors:

As per Schedule IV of the Companies Act 2013 a separate meeting of Independent Directors without the attendance of Non- Independent Directors was held on March 05, 2019 to discuss the agenda items as required under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Independent Directors reviewed the performance of non-independent directors and the Board as whole reviewed the performance of the Chairperson of the Company taking into account the views of executive and non-executive directors and assessed the quality quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions.

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

Information on Directorate and Key Managerial Personnel (KMP):

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

During the year under review, Mrs. Diptiben Hemantkumar Patel, Mr. Parth Mahendrakumar Patel and Mr. Rajendra Baldevbhai Patel were appointed as Independent Directors of our Company on August 24, 2018 and all have tendered their resignation on September 10, 2018.

Further, Mr. Nitinbhai Govindbhai Patel, Mr. Kushal Nitinbhai Patel and Mr. Amitkumar Govindbhai Patel were appointed/re-appointed as Chairman cum Managing Director, Managing Director and Whole-Time Director of the Company respectively on October 16, 2018.

Later on, Mrs. Diptiben Hemantkumar Patel, Mr. Rakesh Mahendrakumar Patel and Mr. Dhruven Shaileshbhai Patel were appointed as Independent Directors of the Company by the Members of the Company at their Extra Ordinary General Meeting (EOGM) held on Thursday October 18 2018 w.e.f. October 18, 2018.

Details of Key Managerial Personnel:

In terms of Section 203 of the Companies Act, 2013, the Company has appointed Mr. Nitinbhai Govindbhai Patel, Chairman cum Managing Director; Mr. Kushal Nitinbhai Patel, Managing Director and Mr. Amitkumar Govindbhai Patel, Whole-Time Director as Key Managerial Personnel of the Company.

Further, the Company has also appointed Mr. Deepakkumar Kushalchandra Chaubisa as a Company Secretary and Compliance Officer of the Company and Ms. Riya Amit Patel as a Chief Financial Officer of the Company.

Performance Evaluation:

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

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

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

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

Directors' Responsibility Statement:

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

a) In preparation of annual accounts for the year ended March 31 2019 the applicable accounting standards have been followed and that no material departures have been made from the same;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts for the year ended March 31 2019 on going concern basis.

e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and

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

COMMITTEE OF BOARD:

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

A. Audit Committee:-

The Board of Directors in their meeting held on October 26 2018 has formed audit committee in line with the provisions Section 177 of the Companies Act 2013. Audit Committee meeting is generally held for the purpose of recommending the half yearly and yearly financial result. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee.

During the year under review the Audit Committee met 2 (Two) times during the financial year 2018-19 November 01 2018 and March 08 2019.

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

Name of the Directors	Category	Designation	Number of meetings during the financial year 2018-19		
			Held	Eligible to attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	2	2	2
Mrs. Diptiben Patel	Independent Director	Member	2	2	2
Mr. Amitkumar Patel	Whole Time Director	Member	2	2	2

The Statutory Auditors of the Company are invited in the meeting of the Committee wherever requires. Chief Financial Officer of the Company is a regular invitee at the Meeting. Further, the Company Secretary of the Company is acting as Secretary to the Audit Committee.

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

Vigil Mechanism:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.axitacotton.com.

B. Stakeholder's Grievance & Relationship Committee:

The Board of Directors in their meeting held on October 26 2018 has formed Stakeholder's Grievance & Relationship Committee mainly to focus on the redressal of Shareholders' / Investors' Grievances if any like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Stakeholders Relationship Committee shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company.

During the year under review Stakeholder's Grievance & Relationship Committee met 1 (One) time viz on March 08, 2019.The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the financial year 2018-19		
			Held	Eligible to attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	1	1	1
Mr. Rakesh Patel	Independent Director	Member	1	1	1
Mr. Amitkumar Patel	Whole Time Director	Member	1	1	1

During the year the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31 2019.

C. Nomination and Remuneration Committee:

The Board of Directors in their meeting held on October 26 2018 has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act 2013. Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. Further the committee shall also meet as and when the need arises for review of Managerial Remuneration.

During the year under review Nomination and Remuneration Committee met 1 (One) time viz on March 08 2019. The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the financial year 2018-19		
			Held	Eligible to attend	Attended
Mr. Dhruven Patel	Independent Director	Chairperson	1	1	1
Mr. Rakesh Patel	Independent Director	Member	1	1	1
Mrs. Diptiben Patel	Whole Time Director	Member	1	1	1

Nomination and Remuneration Policy:

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

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

Remuneration of Directors:

The details of remuneration paid during the financial year 2018-19 to Directors of the Company is provided in Form MGT-9 which is the part of this report.

PUBLIC DEPOSIT:

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

PARTICULARS OF LOANS GUARANTEES INVESTMENTS & SECURITY:

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

EXTRACT OF ANNUAL RETURN:

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

SECRETARIAL STANDARDS OF ICSI:

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

PARTICULAR OF EMPLOYEES:

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

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

MATERIAL CHANGES AND COMMITMENT:

There are no material changes and commitments affecting the financial position of the Company have occurred between the ends of financial year of the Company i.e. March 31 2019 to the date of this Report.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

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

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

ENERGY CONSERVATION TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

RISK MANAGEMENT:

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

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

CORPORATE GOVERNANCE:

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

STATUTORY AUDITOR AND THEIR REPORT:

M/s. Mistry & Shah Chartered Accountants Ahmedabad (Firm registration number: 122702W) has appointed as Statutory Auditors at the Extra-Ordinary General Meeting of the Company (EOGM NO. 01/2019-20) held on Friday April 12 2019 to fill up casual vacancy caused due to resignation of M/s. Manish Dave & Co. Chartered Accountants Ahmedabad (FRN: 0118396W).

M/s. Mistry & Shah Chartered Accountants Ahmedabad (Firm registration number: 122702W) shall hold the office as Statutory Auditor of the Company for a period up to the conclusion of ensuing Annual General Meeting (6th AGM) of the Company.

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

The Auditors' Report does not contain any qualification reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

The Company has received consent letter and eligibility certificate under Sections 139 and 141 of the Act from /s. Mistry & Shah Chartered Accountants Ahmedabad (Firm registration number: 122702W). As required under Regulation 33 of SEBI Listing Regulations they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Board of Directors, on the proposal of audit committee, recommends their appointment as Statutory Auditor of the Company to hold office for a period of five consecutive years i.e. from the conclusion of the 6th (Sixth) Annual General Meeting of the Company, till the conclusion of the 11th (Eleventh) Annual General Meeting to be held in the calendar year 2024.

REPORTING OF FRAUD:

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

SECRETARIAL AUDITOR AND THIEIR REPORT:

The Company has appointed Mr. Anand Lavingia, Practicing Company Secretaries, to conduct the secretarial audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2018-19 is annexed to this report as an **Annexure – F**. The Secretarial Audit Report contain one remark related to giving of Corporate Guarantee to the Bank on behalf of Aaditya Oil Industries (partnership firm) in which our directors are interested. The Board of Directors states that it was inclined by the bank to provide such corporate guarantee in the financial year 2017-18, when our company was private limited company and in addition our company is in process of revoking such corporate guarantee from Bank and convincing for other alternate permissible securities. If the Bank will not allow us to revoke corporate guarantee or does not accept any other alternate permissible securities, Aditya Oil Industries may be converted from Partnership firm to Private limited Company or LLP, so that Section 185 of the Companies Act, 2013 is not violated and necessary procedure and permission may be obtained.

INSURANCE:

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

WEBSITE:

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

GENERAL DISCLOSURE:

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules 2014 and other applicable provisions of the act and listing regulations to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

(i) Details relating to deposits covered under Chapter V of the Act;

(ii) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;

(iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;

(iv) Annual Report and other compliances on Corporate Social Responsibility;

(v) There is no revision in the Board Report or Financial Statement;

(vi) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

(vii) Information on subsidiary, associate and joint venture companies.

ACKNOWLEDGEMENT:

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

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

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

Kushal Nitinbhai Patel
Managing Director
DIN 06626639

Amitkumar Govindbhai Patel
Whole-Time Director
DIN 06626585

Date: August 28, 2019
Place: Kadi Mahesana

Annexure – A

NOMINATION AND REMUNERATION POLICY

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

1. DEFINITIONS:

i) **"Act"** means the Companies Act, 2013 (and the rules framed thereunder).

ii) **"Board"** means Board of Directors of the Company.

iii) **"Director"** means a director on the Board of the Company.

iv) **"Committee"** means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.

v) **"Company"** or "The Company" Axita Cotton Limited.

vi) **"Independent Director"** means a Director referred to in Section 149(6) of the Act read with regulation 16(1)(b) of the Listing Regulations.

vii) **Key Managerial Personnel (KMP) means:**

a) the Chief Executive Officer or the managing director or the manager, as applicable;

b) the company secretary;

c) the whole-time director;

d) the Chief Financial Officer; and

e) such other officer as may be prescribed.

viii) **"Senior Management"** shall mean officers/personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the executive directors, including all functional heads.

ix) **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

x) **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes prerequisites as defined under the Income Tax act, 1961.

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

2. OBJECTIVE:

The objectives of this Policy are set forth below:

(a) to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (independent, executive and non-executive) and persons who may be appointed in Senior Management and Key Managerial Personnel positions;

(b) to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

(c) to ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(d) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management personnel and provide necessary report to the Board for further evaluation by the Board; and

(e) to ensure that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3. ROLE OF THE COMMITTEE:

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

I. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and Senior Management personnel;

II. formulation of criteria for evaluation of performance of Independent Directors and the Directors;

III. devising a policy on diversity of the Board;

IV. identifying persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

V. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and

VI. Any other functions as may be assigned by the Board from time to time.

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

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director and recommend the same to the Board. Key Managerial Personnel other than Managing Director shall be appointed as per the Act. Senior Management personnel shall be appointed as per the Company's policy formulated in this regard.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee shall have authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

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

5. TERM/TENURE:

Managing Director/Whole-time Director:

The Company shall not appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board and shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

6. EVALUATION:

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

7. REMOVAL:

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

8. RETIREMENT:

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

Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission, as applicable, to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of Act or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) Committee shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act and the Listing Regulations. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Act shall be subject to ceiling/ limits as provided under the Act or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board or the shareholders of the Company, as the case may be.

c) An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

   i) The Services rendered are of a professional nature; and

   ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession

e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

9. IMPLEMENTATION:

   i) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

   ii) The Committee may delegate any of its power to one or one member of its member.

Annexure - B

FORM MGT - 9 - EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019

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

1) Registration and Other Details:

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

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

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Cotton Bales	01632	91.67%
Shankar Kapasia	01161	8.33%

3) Particulars of Holding, Subsidiary and Associate Companies:

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

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

I. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	2500000	2500000	100.00	4800000	-	4800000	73.26	(26.74)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	**-**	**2500000**	**2500000**	**100.00**	**4800000**	**-**	**4800000**	**73.26**	**(26.74)**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**-**	**2500000**	**2500000**	**100.00**	**4800000**	**-**	**4800000**	**73.26**	**(26.74)**
B. Public Share Holding									
(1) Institutions									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Company	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Non-Institution									
a) Bodies Corporate									
i. Indian	-	-	-	-	531155	-	531155	8.11	8.11
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	-	-	-	-	163545	-	163545	2.50	2.50
i. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	827300	-	827300	12.62	12.62
c) Others (specify)									
HUF	-	-	-	-	192000	-	192000	2.93	2.93
Clearing Members	-	-	-	-	38000	-	38000	0.58	0.58
Sub-Total (B)(2):	**-**	**-**	**-**	**-**	**1752000**	**-**	**1752000**	**26.74**	**26.74**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**1752000**	**-**	**1752000**	**26.74**	**26.74**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**-**	**2500000**	**2500000**	**100.00**	**6552000**	**-**	**6552000**	**100.00**	**-**

II. Shareholding of Promoters & Promoters Group:

Name	Shareholding at beginning of year		Date wise Increase/ Decrease in Shareholding*			Cumulative Shareholding during the year^		Shareholding at end of year^		% change in shareholding during the year
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company	
Nitinbhai Govindbhai Patel	885500	35.42	25-09-18	900000	Allotment on Right Basis	1785500	27.25	1785500	27.25	(8.17)
Kushal Nitinbhai Patel	667000	26.68	25-09-18	1291624	Allotment on Right Basis	1958624	29.89			
			16-10-18	39900	Transfer	1998524	30.50	1998524	30.50	3.82
Amitkumar Govindbhai Patel	712200	28.49	-	-	-	-	-	712200	10.87	(17.62)
Gitaben Nitinbhai Patel	117800	4.71	25-09-18	108376	Allotment on Right Basis	226176	3.45	226176	3.45	(1.26)
Gitaben Amitbhai Patel	57500	2.30	-	-	-	-	-	57500	0.88	(1.42)
Amitbhai Govindbhai Patel HUF	20000	0.80	16-10-18	(20000)	Transfer	-	-	-	-	-
Nitinbhai Govindbhai Patel HUF	20000	0.80	16-10-18	(20000)	Transfer	-	-	-	-	-
Savitaben Govindbhai Patel	20000	0.80	16-10-18	(20000)	Transfer	-	-	-	-	-
Pooja Kushal Patel	-	-	16-10-18	200000	Transfer	20000	0.31	20000	0.31	0.31
Krunalbhai Girishkumar Patel	-	-	16-10-18	100	Transfer	100	0.00	100	0.00	0.00

* As per the record of the Company.

^ "Cumulative Shareholding during the year" and % change in shareholding during the year" has been calculated net of acquisition/transfer and allotment under IPO.

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

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

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Kratos Impex Limited	-	-	11-01-19	126000	Allotment	126000	1.92		
			25-01-19	122000	Market Buy	248000	3.78		
			01-02-19	34000	Market Buy	282000	4.30	302000	4.61

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
			29-03-19	20000	Market Buy	302000	4.61		
Beeline Broking Limited	-	-	11-01-19	92000	Allotment	92000	1.40		
			11-01-19	54000	Market Buy	146000	2.23		
			18-01-19	646000	Market Buy	792000	12.09		
			25-01-19	(540000)	Market Sell	252000	3.85		
			01-02-19	(155300)	Market Sell	96700	1.47		
			08-02-19	16000	Market Buy	112700	1.72		
			15-02-19	2000	Market Buy	114700	1.75		
			01-03-19	4000	Market Buy	118700	1.81		
			08-03-19	4000	Market Buy	122700	1.87		
			15-03-19	(10000)	Market Sell	112700	1.72		
			22-03-19	16000	Market Buy	128700	1.96		
			29-03-19	62000	Market Buy	190700	2.91	190700	2.91
Akashbhai Bharatkumar Shah	-	-	11-01-19	110000	Allotment	110000	1.68		
			25-01-19	174000	Market Buy	284000	4.33	284000	4.33
Bharatkumar Nihalchand Shah	-	-	11-01-19	182000	Allotment	182000	2.78		
			08-02-19	58000	Market Buy	240000	3.66	240000	3.66
Sugnesh H Shah HUF	-	-	11-01-19	18000	Allotment	18000	0.27		
			25-01-19	142000	Market Buy	160000	2.44	160000	2.44
Darshankumar Ghanshyambhai Patel	-	-	11-01-19	72000	Allotment	72000	1.10		
			01-02-19	85300	Market Buy	157300	2.40	157300	2.40
Hina Chhawchharia	-	-	11-01-19	8000	Allotment	8000	0.12		
			18-01-19	50000	Market Buy	58000	0.88	58000	0.88
Swastika Investmart Limited	-	-	18-01-19	4000	Market Buy	4000	0.06		
			01-03-19	(2000)	Market Sell	2000	0.03		
			29-03-19	36000	Market Buy	38000	0.58	38000	0.58
Artiben Ajaykumar Shah	-	-	11-01-19	20000	Allotment	20000	0.30	20000	0.30
Edelweiss Broking Ltd	-	-	18-01-19	2000	Market Buy	2000	0.03		
			08-03-19	8000	Market Buy	10000	0.15		
			15-03-19	8000	Market Buy	18000	0.27	18000	0.27

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

IV. Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Nitinbhai Govindbhai Patel	885500	35.42	25-09-18	900000	Allotment on Right Basis	1785500	27.25	1785500	27.25
Kushal Nitinbhai Patel	667000	26.68	25-09-18	1291624	Allotment on Right Basis	1958624	29.89	1998524	30.50
			16-10-18	39900	Transfer	1998524	30.50		
Amitkumar Govindbhai Patel	712200	28.49	-	-	-	-	-	712200	10.87

* As per the record of the Company.

^ "Cumulative Shareholding during the year" and % change in shareholding during the year" has been calculated net of acquisition/transfer and allotment under IPO.

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

5) Indebtedness **(Amount in ₹)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A. Indebtedness at the beginning of the financial year				
i) Principal Amount	12,05,96,152.00	4,90,42,794.00	-	16,96,38,946.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total A (i+ii+iii)	**12,05,96,152.00**	**4,90,42,794.00**	**-**	**16,96,38,946.00**
B. Change in Indebtedness during the financial year				
Additions	1,30,24,615.00	-	-	1,30,24,615.00
Reduction	-	(2,83,43,169.00)	-	(2,83,43,169.00)
Net Change B	**1,30,24,615.00**	**(2,83,43,169.00)**	**-**	**(153,18,554.00)**
C. Indebtedness at the end of the financial year				
i) Principal Amount	13,36,20,767.00	2,06,99,625.00	-	15,43,20,392.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total C (i+ii+iii)	**13,36,20,767.00**	**2,06,99,625.00**	**-**	**15,43,20,392.00**

6) Remuneration of Directors and Key Managerial Personnel

A) Remuneration to Managing Director, Whole-time Directors and/or Manager (Amount in ₹)

Particulars of Remuneration	Nitinbhai Patel Chairman cum Managing Director	Kushal Patel Managing Director	Amitkumar Patel Whole-Time Director	Total Amount
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	18,00,000	18,00,000	18,00,000	**54,00,000**
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
Stock option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
as % of profit	-	-	-	-
others (specify)	-	-	-	-
Others, please specify	-	-	-	-
Total (A)	**18,00,00**	**18,00,000**	**18,00,000**	**54,00,000**
Ceiling as per the Act	Since, the Company has incurred loss during the year (profit of adequate to pay remuneration), the remuneration has been paid in terms Schedule V to the Companies Act, 2013.			**84,00,000**

B) Remuneration to other Directors (Amount in ₹)

Particulars of Remuneration	Dhruven Patel Independent Director	Diptiben Patel Independent Director	Rakesh Patel Independent Director	Total Amount
a) Independent Director				
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-		-
(iii) Other, specify	-	-		-
Total (a)	-	-	-	-
b) Other Non-Executive Directors	-	-	-	-
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (b)	-	-	-	-
Total (B)	-	-	-	-
Total Managerial Remuneration (A+B)	-	-	-	**54,00,000**
Overall Ceiling as per the Act	Since, the Company has incurred loss during the year (profit of adequate to pay remuneration), the remuneration has been paid in terms Schedule V to the Companies Act, 2013.			**84,00,000**

C) Remuneration to Key Managerial Personnel (Amount in ₹)

Particulars of Remuneration	Riya Patel* Chief Financial Officer	Deepakkumar Chaubisa^ Company Secretary	Total Amount
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,50,000	1,80,000	**3,30,000**
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
as % of profit	-	-	-
others (specify)	-	-	-
Others, please specify	-	-	-
Total	**1,50,000**	**1,80,000**	**3,30,000**

* w.e.f. October 01, 2018 ^ w.e.f. October 01, 2018

7) Penalties / Punishment/ Compounding of Offences

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

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

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

Date: August 28, 2019
Place: Kadi Mahesana

Kushal Nitinbhai Patel
Managing Director
DIN 06626639

Amitkumar Govindbhai Patel
Whole-Time Director
DIN 06626585

Annexure - C

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

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

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

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

There were no contracts or arrangements or transactions entered in to by the Company during the financial year ended on March 31, 2019, which were not at arm's length basis.

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

Sr. No.	Particulars	RPT - 1	RPT - 2	RPT- 3
1.	**Name(s) of the related party and nature of relationship**	Axita Exports Private Limited - Company wherein directors are interested	Aditya Oil Industries - Firm in which Director is interested	Ms. Riya Patel - Chief Financial Officer - Relative of Director
2.	**Nature of contracts/ arrangements/ transactions**	Purchase of Raw Material Sale of Product	Purchase of Raw Material Sale of Product	Payment of Remuneration
3.	**Duration of the contracts / arrangements/ transactions**	F.Y. 2018-19	F.Y. 2018-19	October 1, 2018 to March 31, 2019
4.	**Salient terms of the contracts or arrangements or transactions including the value, if any**	Purchase of Raw Materials: ₹ 21,47,06,199.00 Sale of Products: ₹ 68,23,31,339.00	Purchase of Raw Material: ₹ 5,44,05,953.00 Sale of product: ₹ 13,15,37,900.00	Payment of Remuneration: ₹ 1,50,000.00
5.	**Date(s) of approval by the Board**	November 1, 2018	November 1, 2018	October 1, 2018
6.	**Amount paid as advances, if any**	N.A.	N.A.	N.A.

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Kushal Nitinbhai Patel
Managing Director
DIN 06626639

Amitkumar Govindbhai Patel
Whole-Time Director
DIN 06626585

Date: August 28, 2019
Place: Kadi Mahesana

PARTICULARS OF EMPLOYEES

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

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

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

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration	Percentage Increase
1.	Nitinbhai Patel	Chairman Cum Managing Director	Remuneration	20.45 : 1.00	Not Applicable
2.	Kushal Patel	Managing Director	Remuneration	20.45 : 1.00	Not Applicable
3.	Amitkumar Patel	Whole-Time Director	Remuneration	20.45 : 1.00	Not Applicable
4.	Dhruven Patel*	Independent Director	Sitting Fees	-	Not Applicable
5.	Diptiben Patel*	Independent Director	Sitting Fees	-	Not Applicable
6.	Rakesh Patel*	Independent Director	Sitting Fees	-	Not Applicable
7.	Ms. Riya Patel	Chief Financial Officer	Salary	-	Not Applicable
8.	Mr. Deepak Chaubisa	Company Secretary	Salary	-	Not Applicable

* Dhruven Patel, Diptiben Patel and Rakesh Patel was appointed as an independent director w.e.f. October 18, 2018 so, % increase is not applicable.

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

The median remuneration of the employees in current financial year was decrease by 18.52% over the previous financial year.

c) The number of permanent employees on the rolls of the Company: 36 permanent Employees as on March 31, 2019.

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

The Average 76.40% increase was made in salary of employees. The average remuneration increased due to increase in number of employee of the Company and qualitative payout to the existing employee. Whereas remuneration of the executive directors was not increased. The remuneration paid to executive directors were within the limit as per approved by the shareholders of the Company.

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

Registered office:
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Mahesana - 382715 Gujarat

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

Date: August 28, 2019
Place: Kadi Mahesana

Kushal Nitinbhai Patel
Managing Director
DIN 06626639

Amitkumar Govindbhai Patel
Whole-Time Director
DIN 06626585

Annexure - E

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

(Pursuant to Section 134 (3) (m) of the Companies (Accounts) Rules, 2014 and rules made there under)

A. Conservation of energy -

i.) The steps taken or impact on conservation of energy: The Company has continued its efforts to improve energy efficiency with more vigour and depth. Some of the measures taken by the Company in this direction as its unit located in Borisana, Kadi, Mehsana are as under;

a. Installation of LEDs at several locations.

b. Creating awareness among all the staff member to conserve energy.

c. Using 5 (Five) Star Motor which reduce power consumption.

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

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

B. Technology absorption -

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

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

The benefit will be visible in future working.

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

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

C. Foreign Exchange Earnings & Expenditure:

i.) Details of Foreign Exchange Earnings: **(Amount in ₹)**

Sr. No.	Particulars	F.Y. 2018-19	F.Y. 2017-18
1.	Foreign Exchange Earnings	58,82,32,595.00	16,59,92,711.00

ii.) Details of Foreign Exchange Expenditure: **(Amount in ₹)**

Sr. No.	Particulars	F.Y. 2018-19	F.Y. 2017-18
1.	Foreign Exchange Outgo	3,64,40,374.00	39,89,124.00

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For and on behalf of Board of Directors
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CIN: L17200GJ2013PLC076059

Date: August 28, 2019
Place: Kadi Mahesana

Kushal Nitinbhai Patel
Managing Director
DIN 06626639

Amitkumar Govindbhai Patel
Whole-Time Director
DIN 06626585

Annexure - F

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended March 31, 2019

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

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

To,
The Members,

AXITA COTTON LIMITED

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act,1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and circulars/ guidelines/Amendments issued there under;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/ guidelines/Amendments issued there under;

   c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and circulars/ guidelines/Amendments issued there under;

   d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars/ guidelines/Amendments issued there under; and

   e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and circulars/ guidelines/Amendments issued there under.

vi. Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules made there under, Regulations, Guidelines etc. mentioned above except *the Company had given Corporate Guarantee to the Bank on behalf of Aaditya Oil Industries, a partnership firm in which director is interested, during the financial year 2017-18, in contravention of Section 185 of the Companies Act, 2013 which is not revoked during the financial year 2018-19.*

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

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

i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - the Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed Link Intime India Private Limited as Registrar & Share Transfer Agent as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

v. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

I further report that -

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that -

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

I further report that during the period under review-

1. The Company has been converted from Private Limited to Public Limited and consequent upon conversion from Private Limited Company to Public Limited Company, fresh Certificate of Incorporation consequent up on the conversion from Private Limited Company to Public Limited Company dated October 15, 2018 was issued by the Registrar of Companies, RoC – Ahmedabad.
2. On September 25, 2018, the Company has allotted on right basis, total 2300000 fully paid up equity shares of ₹ 10 each, in the Ratio of 23 equity shares for each 25 equity shares held on September 8, 2018, at price of ₹ 15 per equity share (including ₹ 5 share premium per equity share) aggregating to ₹ 3,45,00,000.
3. The shareholders of the Company, through a special resolution passed at the Extra-ordinary General Meeting held on October 18, 2018 authorized the Board of Directors of the Company to borrow monies, together with monies already borrowed by the Company, up to ₹ 10,000.00 Lakh (Rupees Ten Thousands Lakh Only) if the aggregate for the time being of the paid-up capital of the Company and its free reserves is less than ₹ 10,000.00 Lakh (Rupees Ten Thousands Lakh Only).
4. The Board of Directors had, in its meeting held on October 16, 2018, proposed the Initial Public Offer of 1800000 equity shares at such price as may be decided by the Board of Directors in consultation with the Merchant Banker. The Members of the Company had also approved the proposal of the Board of Directors in their Extra-ordinary General Meeting held on October 18, 2018. Later on, pursuant to the authority granted by the Members of the Company, the Board of Directors has appointed Beeline Broking Limited as Lead Manager and Link Intime India Private Limited as Registrar to the Issue and Share Transfer Agent for the proposed Public Issue. The Company had applied to BSE Limited ("BSE") for in-principle approval for listing its equity shares on the SME Platform of the BSE. BSE Limited has, vide its letter dated, December 11, 2018, granted its In-Principle Approval to the Company. The Company has filed Prospectus to the Registrar of the Company, Ahmedabad on December 14, 2018. The Public Issue was opened on Thursday, December 27, 2018 and closed on Wednesday, January 02, 2019. The Basis of Allotment was finalized by Company, Registrar to the issue and merchant banker in consultation with the BSE Limited on January 08, 2019 and total 1752000 equity shares at a price of ₹ 60 per equity share (including ₹ 50 share premium per equity share) aggregating to ₹ 10,51,20,000 were allotted to the successful allottee. The Company has applied for listing of its total equity shares to BSE Limited ("BSE') and BSE Limited ("BSE") has granted its approval vide its letter dated January 09, 2019. The trading of equity shares of the Company commenced on January 10, 2019 at SME Platform of BSE Limited ("BSE").

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

Place: Ahmedabad
Date: August 27, 2019

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

Annexure I

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

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

22. The Apprentices Act, 1961
23. The Workmen Compensation Act, 1923 ("WCA")
24. The Equal Remuneration Act, 1976
25. The Maternity Benefit Act, 1961
26. The Child Labour (Prohibition and Regulation) Act, 1986
27. The Industrial Employment (Standing orders) Act, 1946
28. The Registration Act,1908
29. The Indian Stamp Act,1899
30. The Transfer of Property Act,1882
31. The Gujarat Stamp Act,1958
32. The Indian Contract Act,1872
33. The Contract Labour (Regulation and Abolition) Act, 1970
34. The Gujarat Shops and Establishments Act, 1948

Annexure II

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

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

Place: Ahmedabad
Date: August 27, 2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS SCENARIO:

Financial Year 2018-19 was a year of very good performance for Axita Cotton Limited. The Company would like to maintain its performance in future. The Indian's textiles sector is one of the oldest industries in Indian economy dating back several countries. The close linkage of the textile industry to agriculture (for a raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments both within India and across the world. The textiles industry has made a major contribution to the national economy in terms of net foreign exchange earnings and contribution to the GDP.

OPPORTUNITIES AND THREATS:

Opportunities:

- Technical Textiles.
- Growing domestic market.
- Large Potential Domestic and International Market.
- Vast export marked to explore.
- Buyers' preference for India.

Threats:

- Competition from other developing countries especially China.
- Geographical Disadvantage.
- Political/Economic Instability.
- To male balance between price and quality.

OUTLOOK AND FUTURE PROSPECTS:

The textile industry is a well-established with showing storing features and bright future. The textile industry is capital and technology-intensive comparable with automobiles aircraft computers and heavy machinery industry. In comparison with other countries like China the cost of textile production in India is quite less. Textile sector is the oldest and largest manufacturing sector in India. The textiles manufacturing business is a pioneer activity in the Indian manufacturing sector and it has a primordial importance in the economic life of the country which is still predominantly based on the agro-alimentary sector. The sector profitability is likely to improve gradually with players passing on increased raw material prices to end-users given the healthy demand a depreciating rupee and waning impact of the structural issues.

The future for the Indian textile industry looks promising buoyed by both strong domestic consumption as well as export demand. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

RISKS & CONCERNS:

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

SUBSIDIARIES/JOINT VENTURES:

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

HUMAN RESOURCES:

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

FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2019 is summarized below:

(Amount in ₹)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
Net Sales/Income from Operations (Net of GST)	2,11,79,84,021	1,23,27,02,529
Other Income	2,32,53,086	67,10,555
Total Income from Operations (Net)	**2,14,12,37,107**	**1,23,94,13,084**
Earnings Before Interest, Taxes, Depreciation and Amortization Expense	**3,05,20,162**	**3,50,19,918**
Less: Finance Cost	1,79,65,903	1,95,43,544
Less: Depreciation and Amortization Expense	56,49,982	42,63,636
Profit Before Tax	**69,04,277**	**1,12,12,738**
Less: Tax Expense	22,90,045	(3,70,857)
Profit After Taxation	**46,14,232**	**1,15,83,595**

COMPANY'S PERFORMANCE:

The total income from operations (net) of the Company for the year under review is ₹ 2,14,12,37,107 as compared to ₹ 1,23,94,13,084 in the previous year. Profit after taxation stood at ₹ 46,14,232 as compared to Profit after taxation of ₹ 1,15,83,595 in the previous year.

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

CAUTIONARY STATEMENT:

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

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

Kushal Nitinbhai Patel
Managing Director
DIN 06626639

Amitkumar Govindbhai Patel
Whole-Time Director
DIN 06626585

Date: August 28, 2019
Place: Kadi Mahesana

INDEPENDENT AUDITOR'S REPORT

To The Members of Axita Cotton Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Axita Cotton Limited (the 'Company') which comprise the Balance Sheet as at 31st March 2019 the Statement of Profit and Loss the Cash Flow Statement and the Statement for Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2019 and its Profit and Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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

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

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the act we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Communication with Management

We communicate with those charged with governance regarding among other matters the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" the statement on the matters specified in paragraphs 3 and 4 of the Order to the extend applicable.
2. Further to our comments in Annexure A as required by Section 143 (3) of the Act we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The balance sheet, the statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e) On the basis of the written representations received from the directors and taken on record by the Board of Directors none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Malav Shah
Partner
M.NO. 117101

Date: May 29 2019
Place: Ahmedabad

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

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

1. (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

   (b) The Company has a regular program of physical verification in a phased periodic manner, which is in our opinion, is reasonable having regards to size of the Company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the period and no material discrepancies between the books records and the physical fixed assets have been noticed.

   (c) The title deeds of Immovable property is held in the name of the company.
2. The management has conducted physical verification of the Inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans secured or unsecured to companies firms Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans to director's including entities in which they are interested and in respect of loans and advances given, investments made and guarantees, and securities given have been complied with by the Company.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposit) Rules, 2014 (as amended). Accordingly, the provision of clause 3(v) of the Order is not applicable.
6. As per the sub section (1) of section 148 of the Companies Act, 2013 the company is not required to maintained cost records.
7. (A) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues Income Tax, Cess and other statutory dues applicable to it. But The Company has defaulted in payment of Provident Fund dues and the same have not been deposited up to the date of the signing of our audit report.

   (B) According to information and explanations provided to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income Tax, Cess and other statutory were outstanding, at the year end, for a period of more than six months from the date they become payable.
8. In our opinion and according to the information and explanations provided by the management, the Company has not defaulted in repayment of loans and borrowing to a financial institution Bank or Government or dues to Debenture Holders.
9. In our opinion and according to the information and explanations provided by the management the Company has utilized the monies raised by way of debt instrument Initial Public offer and term loan for the purpose for which they were raised.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statement and according to the information and explanations provided by the management, we report that no fraud by the Company or on the company by the officers or employees of the Company has been noticed or reported during the period.
11. As the same clause of the managerial remunerations provided under section 197 read with Schedule V to the companies Act, 2013 is not applicable to the company.
12. In our opinion, the Company is not a Nidhi Company. Therefore the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
13. According to the information and explanations provided by the management transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations provided to us and overall examination of balance sheet, the Company has not made preferential allotment/private placement of shares or fully and partly convertible Debenture during the year under review hence reporting requirement under clause 3(xiv) of the order is not applicable to the company and not commented upon.
15. According to the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section192 of the Act.
16. According to the information and explanations provided to us, the provisions of section 45-IA of Reserve Bank of India Act 1934 are not applicable to the Company and hence not commented upon.

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

Malav Shah
Partner
M.NO. 117101

Date: May 29 2019
Place: Ahmedabad

"Annexure B" To the Independent Auditor's on the Financial Statements of Axita Cotton Limited

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

We have audited the internal financial controls over financial reporting of Axita Cotton Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Control system over Financial Reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Malav Shah
Partner
M.NO. 117101

Date: May 29 2019
Place: Ahmedabad

BALANCE SHEET AS AT MARCH 31, 2019

(Amount in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3.1	6,55,20,000	2,50,00,000
(b) Reserves and Surplus	3.2	11,24,84,599	1,33,58,074
		17,80,04,599	**3,83,58,074**
Non-Current Liabilities			
(a) Long-Term Borrowings	3.3	35,00,000	1,02,62,405
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
		35,00,000	**1,02,62,405**
Current Liabilities			
(a) Short-Term Borrowings	3.4	14,48,20,393	15,33,76,541
(b) Trade Payables	3.5	3,26,91,500	22,52,767
(c) Other Current Liabilities	3.6	1,27,61,092	1,87,67,001
(d) Short Term Provision	3.7	1,09,44,040	36,73,837
		20,12,17,025	**17,80,70,146**
Total		**38,27,21,624**	**22,66,90,624**
ASSETS			
Non-Current Assets			
(a) Property, Plants and Equipments			
Tangible Assets	3.8	3,80,57,319	4,18,18,494
Intangible Assets		-	-
Capital Work-In-Progress		-	-
Intangible Assets Under Development		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets		6,71,204	4,14,553
(d) Long-term Loan and Advances		-	-
(e) Other Non-Current Assets	3.9	7,07,133	7,85,705
		3,94,35,656	**4,30,18,752**
Current Assets			
(a) Current Investments		-	-
(b) Inventories	3.10	9,91,39,798	6,30,41,600
(c) Trade receivables	3.11	10,43,36,284	10,65,68,983
(d) Cash and Cash Equivalents	3.12	58,77,647	45,69,139
(e) Short-Term Loans and Advances	3.13	9,30,65,954	93,79,477
(f) Other current Assets	3.14	4,08,66,285	1,12,673
		34,32,85,968	**18,36,71,872**

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Total		**38,27,21,624**	**22,66,90,624**
Corporate Information	1		
Significant Accounting Policies	2		
Notes on Financial Statements	3		

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

Malav Shah
Partner
M.NO. 117101

Date: May 29 2019
Place: Ahmedabad

For and on Behalf of the Board
Axita Cotton Limited

Kushal Patel
Managing Director
DIN: 06626639

Amit Patel
Whole Time Director
DIN: 06626585

Riya Patel
CFO

Deepak Chaubisa
CS (M. No.: A45536)

Place: Kadi Mehsana
Date: May 29 2019

STATEMENT OF PROFIT & LOSS FOR YEAR ENDING ON MARCH 31, 2019

(Amount in ₹)

Particulars	Note No.	For the year ended on March 31, 2019	For the year ended on March 31, 2018
INCOME :			
Revenue from Operations	3.15	2,11,79,84,021	1,23,27,02,529
Other Income	3.16	2,32,53,086	67,10,555
		2,14,12,37,107	**1,23,94,13,084**
EXPENDITURE:			
Cost of Materials Consumed	3.17	66,57,72,327	88,23,45,642
Purchase of stock-in-trade	3.18	1,40,56,24,945	27,20,39,173
Changes in Inventories	3.19	(2,82,35,338)	1,66,53,900
Employee Benefit Expenses	3.20	1,23,52,837	96,38,688
Finance Costs	3.21	1,79,65,903	1,95,43,544
Depreciation Expenses	3.8	56,49,982	42,63,636
Other Expenses	3.22	5,52,02,174	2,37,15,764
		2,13,43,32,830	**1,22,82,00,347**
Profit before Exceptional and Extraordinary Items and Tax		**69,04,277**	**1,12,12,738**
Exceptional Items		-	-
Profit Before Extraordinary Items and Tax		**69,04,277**	**1,12,12,738**
Extraordinary Items		-	-
Profit Before Tax		**69,04,277**	**1,12,12,738**
Tax Expenses			
Current Tax		25,46,696	-
Deferred Tax		2,56,651	3,70,857
Profit after Tax for the year		**46,14,232**	**1,15,83,595**
Earnings per Equity Share			
-Basic		1.13	4.63
-Diluted		1.13	4.63
Corporate Information	1		
Significant Accounting Policies	2		
Notes On Financial Statements	3		

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

Malav Shah
Partner
M.NO. 117101

Date: May 29 2019
Place: Ahmedabad

For and on Behalf of the Board
Axita Cotton Limited

Kushal Patel
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Riya Patel
CFO

Deepak Chaubisa
CS (M. No.: A45536)

Place: Kadi Mehsana
Date: May 29 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)

Sr. No	PARTICULARS	For the year ended on March 31, 2019	For the year ended on March 31, 2018
1	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit (Loss) As per Profit & Loss Account	46,14,232	1,15,83,595
A	**Tax and Extra-Ordinary Item**		
	Amt Transferred to Reserve	-	-
	Income Tax	25,46,696	-
	Deferred Tax	2,56,651	3,70,857
	Net Profit (Loss) before tax	69,04,277	1,12,12,738
B	**Adjustments:-**		
	Depreciation	56,49,982	42,63,636
	Credit written off	-	-
	Preliminary expenses written off	78,572	87,300
	Interest Expense	1,79,65,903	1,85,48,512
	Provision Created for the year	-	-
	Interest Income	(1,95,839)	29,497
	Operating profit(loss) before working capital changes	3,04,02,895	3,41,41,683
C	**Adjustments:-**		
	Decrease/(Increase) in Inventory	(3,60,98,198)	1,52,77,000
	Decrease/(Increase) in Trade Receivables	22,32,699	(5,51,42,088)
	Decrease/(Increase) in Other Current Assets	(4,07,53,612)	(61,02,360)
	Decrease/(Increase) in Short Term Loans and Advances	(8,36,86,477)	-
	(Decrease)/Increase in Short Term Provisions	72,70,203	-
	(Decrease)/Increase in Trade Payables	3,04,38,733	19,08,987
	(Decrease)/Increase in Other Current liabilities	(60,05,909)	1,50,65,999
	(Decrease)/Increase in Short Term Borrowings	(85,56,148)	-
	Net Cash Flow before tax and extra-ordinary item	**(10,47,55,814)**	**51,49,221**
	Less: Direct Taxes Paid	58,73,150	-
	Less: Extraordinary Items	-	-
	Net Cash Flow from Operating Activities	**(11,06,28,964)**	**51,49,221**
2	**CASH FLOW FROM INVESTING ACTIVITIES:**		
a	Acquisition of Fixed Assets	(18,88,804)	(30,42,186)
b	Capital Gain Income	-	-
c	Dividend received	-	-
d	Interest Income	1,95,839	(29,497)
	Net Cash Flow from Investing Activities	**(16,92,965)**	**(30,71,683)**
3	**CASH FLOW FROM FINANCING ACTIVITIES:**		

Sr. No	PARTICULARS	For the year ended on March 31, 2019	For the year ended on March 31, 2018
a	Long Term Borrowing Repaid	(67,62,405)	2,04,99,785
b	Interest and finance cost	(1,79,65,903)	(1,85,48,512)
c	Shares Issued	13,96,20,000	-
d	Share Issue Expenses	(12,61,255)	-
	Net Cash Flow from Financing Activities	**11,36,30,437**	**19,51,273**
	Net Increase in Cash and Equivalent.	**13,08,508**	**40,28,811**
	Cash And Cash Equivalents as at the Beginning of the year	**45,69,139**	**5,40,328**
	Cash And Cash Equivalents as at the Closing of the year	**58,77,647**	**45,69,139**

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

Malav Shah
Partner
M.NO. 117101

Date: May 29 2019
Place: Ahmedabad

For and on Behalf of the Board
Axita Cotton Limited

Kushal Patel
Managing Director
DIN: 06626639

Amit Patel
Whole Time Director
DIN: 06626585

Riya Patel
CFO

Deepak Chaubisa
CS (M. No.: A45536)

Place: Kadi Mehsana
Date: May 29 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note: 1 - Corporate Information

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

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

Note: 2 - Significant Accounting Policies:

2.1 Basis of Preparation of Financial Statement

The financial statements have been prepared on the historical cost.

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

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

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

2.2 Summary of Significant Accounting Policies

(a) Property, Plant & Equipment

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

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

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

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

(b) Intangible Assets

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

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

(c) Borrowing Cost

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

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

(d) Inventories

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

(e) Provisions and Contingent Liability

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

(f) Employee Benefits Expenses

Short Term Employee Benefits

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

Post-Employment Benefits

a) Defined Contribution Plans

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

b) Defined Benefit Plans

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

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

(g) Taxes on Income

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

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

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

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

(h) Foreign Currencies Transactions and Translation

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

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

(i) Revenue Recognition

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

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

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

(k) Cash Flow Statement

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

(l) Investment

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

(m) Government Grant

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grant will be received. Grants related to assets are shown as a deduction from gross value of the asset concerned. The grant is thus recognised in the profit and loss statement over the useful life of the depreciable asset by way of a reduced depreciation charge. Grants related to revenue are deducted in reporting related expense for which the grants have been received.

Note: 3 - Notes on Financial Statements for the period from 1st April, 2018 to 31st March, 2019:

Note: - 3.1.1 - Share Capital

Particulars	As at March 31 2019		As at March 31 2018	
	Number	Amt. in ₹	Number	Amt. in ₹
Equity Share Capital of ₹ 10/- each				
Authorized Share Capital	7000000	7,00,00,000	2500000	2,50,00,000
Issued Share Capital	6552000	6,55,20,000	2500000	2,50,00,000
Subscribed and Fully Paid Up	6552000	6,55,20,000	2500000	2,50,00,000
	6552000	**6,55,20,000**	**2500000**	**2,50,00,000**

Notes:

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

Note No-3.1.2 - Reconciliation of Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amt. in ₹	Number	Amt. in ₹
Equity Shares (Face Value ₹ 10.00)				
Shares outstanding at the beginning of the year	2500000	2,50,00,000	2500000	2,50,00,000
Conversion of of fully paid up Compulsorily Convertible Debentures of Rs.10 each	-	-	-	-
Conversion from Unsecured Loans to Share Capital	-	-	-	-
Shares Issued during the year	4052000	4,05,20,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6552000	6,55,20,000	2500000	2,50,00,000

Notes:

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	% of Holding	Number	% of Holding
Patel Kushal Nitinbhai	1998524	30.50%	667000	26.68%
Patel Nitinkumar Govindbhai	1785500	27.25%	885500	35.42%
Patel Amitkumar Govindbhai	712200	10.87%	712200	28.49%

Note No- 3.2 - Reserves and Surplus

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amt. in ₹		Amt. in ₹	
Surplus of Profit & Loss				
Opening Balance	1,33,58,074.00		17,74,479.00	
(+) Profit for the Current Year	46,14,231.98		1,15,83,595.00	
(-) Tax Paid of earlier Years	33,26,452.00		-	
Closing balance		1,46,45,853.98		1,33,58,074.00
Security Premium Account				
Opening Balance	-		-	
(+) Addition during the year	9,91,00,000.00		-	
(-) Deductions during the year	12,61,254.64		-	
Closing Balance		9,78,38,745.36		-
Total		**11,24,84,599.34**		**1,33,58,074.00**

Notes

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

Note No - 3.3 - Long Term Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Secured Term Loan from Bank ****		
OBC Bank Term Loan	35,00,000	95,00,000
OBC Bank Car Loan	-	7,62,405
TOTAL SECURED LOANS	35,00,000	1,02,62,405
Total	**35,00,000**	**1,02,62,405**

Notes

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

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

2. The vehicle loan from Bank\Financial Institution have been secured against the respective vehicles purchased against loan
3. The Term Loans and Vehicle Loans are required to be paid in Monthly Equated Installments

Note No - 3.4 - Short Term Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Secured Borrowings from Bank		
OBC Bank CC*	12,41,20,767	10,43,33,747
TOTAL SECURED LOANS	**12,41,20,767**	**10,43,33,747**
Unsecured Loans & Advances from Related Parties#		
Unsecured loan from Directors	2,06,99,625	4,56,57,318
Unsecured loan from Members	-	33,85,476
TOTAL UNSECURED LOANS	2,06,99,625	4,90,42,794
Total	**14,48,20,393**	**15,33,76,541**

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

Note No - 3.5 - Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Sundry Creditors for Expenses	31,67,555	1,90,952
Sundry Creditors for Goods	2,95,23,945	19,24,141
Advance from Debtors:	-	1,37,674
Total	**3,26,91,500**	**22,52,767**

Notes

* The company has dispatch letter by post for asking MSME Registration of Vendors. Till date company has not received any confirmation on that. Hence in the absence of information all vendors are classified under Non-MSME Creditors.

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

Note No - 3.6 - Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Duties & Taxes :		
CST A/c.	-	(2,051)
VAT A/c.	-	11
CGST	-	36,27,910
IGST	-	85,360
SGST	-	36,27,909
GST Payable (RCM)	60,56,980	54,27,862
	60,56,980	**1,27,67,001**
Current Maturities of Long Term Debts		
OBC Term Loan	60,00,000	60,00,000
Other Current Liabilities		
PF-Employer Contribution payable	3,66,144	-
PF-Employee Contribution payable	3,37,968	-
	7,04,112	**-**
Total	**1,27,61,092**	**1,87,67,001**

Note No - 3.7 - Short Term Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Audit Fees Payable	1,80,000	60,000
Brokerage Charges Payable	5,03,756	8,92,040
Director Remuneration Payable	3,82,500	-
Electric Expense Payable	3,50,000	5,24,570
Rate Differene Payable	20,16,670	-
Salary Payable	7,09,100	13,4,300
Weight Shortage	42,56,244	14,57,050
TDS Payable	9,01,546	6,03,867
Income Tax Payable	16,44,224	-
Kunvarji Commodities Broker	-	2,010
Total	**1,09,44,040**	**36,73,837**

Note No - 3.8 - Property, Plants and Equipments **(Amt. in ₹)**

Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at April 1, 2018	Addition during the year	Ded/Adj during the year	As at March 31, 2019	Upto March 31, 2018	For the year	Ded/Adj during the year	Effect on Deprn as per Co. Act, 2013	Up to March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer & Printer	1,12,434	5,71,241	-	6,83,675	81,734	92,106			1,73,840	5,09,835.50	30,701
Electrification	19,16,689	9,400	-	19,26,089	5,45,507	2,48,789	-	-	7,94,296	11,31,794	13,71,183
Factory & Building	1,12,09,281	43,220	-	1,12,52,501	15,51,931	9,39,882	-	-	24,91,813	87,60,688	96,57,350
Land	86,21,474	-	-	86,21,474	-	-	-	-	-	86,21,474	86,21,474
Plant & Machinery	2,61,15,703	-	-	2,61,15,703	62,97,391	35,87,114	-	-	98,84,505	1,62,31,198	1,98,18,312
Motor Vehicles	27,25,120	4,90,000	-	32,15,120	6,57,963	6,57,778	-	-	13,15,741	18,99,379	20,67,157
Furniture	1,27,322	7,32,378		8,59,700	51,286	75,116			1,26,402	7,33,298	76,036
Office Equipments	4,22,512	42,565		4,65,077	2,46,230	49,197			2,95,427	1,69,650	1,76,282
Total	**5,12,50,535**	**18,88,804**	**-**	**5,31,39,339**	**94,32,041**	**56,49,982**	**-**	**-**	**1,50,82,023**	**3,80,57,316**	**4,18,18,494**

Notes:

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

Note No-3.9 - Other Non-Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Preliminary & Pre-Incorporation Fees.		
Bank Process Fee Exp.	83,773	93,082
GEB A/c.	4,16,689	4,62,988
Increase in Share Capital	2,06,671	2,29,635
Total	**7,07,133**	**7,85,705**

Note No-3.10 - Inventories (Value taken and Certified by the Management)

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Bales	6,48,76,238	4,42,13,400
Kapas	1,54,38,060	75,75,200
Kapasiya	1,88,25,500	1,12,53,000
Total	**9,91,39,798**	**6,30,41,600**

Note No-3.11 Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Outstanding for less than 6 months from the due date		
Unsecured Considered Good	10,43,36,284	10,65,68,983
Outstanding for more than 6 months from the due date	-	-
Total	**10,43,36,284**	**10,65,68,983**

Notes

3. Balance of Trade receivable are subject to confirmations and Unsecured; considered good by the Management.

Note No-3.12 Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Current Account		
OBC Bank	10,19,752	8,847
Induslnd Bank	10,16,875	-
OBC Bank (New Current Account)	9,381	-
Bank Deposit with more than 12 month maturity		
Fixed Deposit with OBC Bank	19,82,051	18,80,132
Cash On hand	18,49,588	26,80,160
Total	**58,77,647**	**45,69,139**

Note No-3.13 Short Term Loans and Advances

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Deposits:		
GEB Deposit	10,94,211	14,70,077

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
BSE Deposit	10,51,200	-
Loans & Advances:		
Advance to Creditors	9,09,20,543	-
RCM (GST)	-	78,05,740
Income Tax	-	1,03,660
Advance Tax	-	-
Total	**9,30,65,954**	**93,79,477**

Note No - 3.14 Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
	Amt. in ₹	Amt. in ₹
Prepaid Expense	410,150	-
IGST Refund Receivable	1,82,16,204	-
TDS Receivable	-	1,12,673
Balance with Government Authorities	2,08,09,770	-
Interest on GEB Deposit Receivable	61,549	-
Duty Drawback Receivable	13,68,611	-
Total	**4,08,66,285**	**1,12,673**

Note No - 3.15 Revenue from Operations

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Khol Retail Sales	-	9,89,32,764
Bales Sales Domestic	1,35,55,46,971	70,79,24,789
Bales Sales Export	58,60,82,491	16,59,92,711
Cotton Waste	-	6,33,105
Shankar Kapas	-	7,02,89,411
Shankar Kapasia	17,63,54,559	18,89,29,749
Total	**2,11,79,84,021**	**1,23,27,02,529**

Note No - 3.16 Other Income

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Creditor Written off	83,854	15,098
Duty Drawback income	27,01,219	2,85,463
FD Interest	1,13,244	1,35,907
Forex Gain	19,05,822	(29,497)
Ginning Jobwork Income	-	9,37,888
Interest Income	1,95,839	-
Interest on GEB Deposit	68,388	73,859

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Interest Subsidy 5%	11,15,390	5,14,530
Labour Income	-	10,000
Pressing Jobwork Income	-	9,37,888
Prior Period Items	1,02,104	-
Quality Allowance	55,57,951	2,45,014
Sample allowance	2,23,843	4,853
Settlement	96,83,264	-
Trade Discount	6,02,477	39,184
VAT Refund Income	8,99,691	35,40,368
Total	**2,32,53,086**	**67,10,555**

Note No - 3.17 Cost of Materials Consumed

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Opening Stock :		
Raw material	75,75,200	61,98,300
Add:- Purchase (Net)	67,36,35,187	88,37,22,542
Less:- Closing Stock		
Raw material	1,54,38,060	75,75,200
Total	**66,57,72,327**	**88,23,45,642**

Note No - 3.18 Purchase of Stock-in-trade

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Bales	1,39,14,63,923	12,52,63,328
Kalyan Rui	-	1,15,88,052
Khol	-	9,82,78,270
Kapasiya	1,41,61,022	3,69,09,524
Total	**1,40,56,24,945**	**27,20,39,173**

Note No - 3.19 Changes in Inventories of Finished Goods Stock in Trade and Work in Progress

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Opening Balances		
Bales	4,42,13,400	5,50,52,000
Kapasiya	1,12,53,000	1,70,68,300
	5,54,66,400	**7,21,20,300**
Less : Closing Balance		
Bales	6,48,76,238	4,42,13,400
Kapasiya	1,88,25,500	1,12,53,000
	8,37,01,738	**5,54,66,400**
Total	**(2,82,35,338)**	**1,66,53,900**

Note No: - 3.20 Employee Benefits

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Bonus Exp.	2,24,500	2,90,107
Directors Remuneration	54,00,000	54,00,000
ICA Training Expense	2,41,483	-
Leaves Encashment Exp.	-	1,62,791
Incentive Expenses	1,61,000	-
Employee Salary	56,21,742	37,85,790
PF-Employer Contribution	3,66,144	-
PF-Employee Contribution	3,37,968	-
Total	**1,23,52,837**	**96,38,688**

Note No: - 3.21 Finance Costs

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Bank Charges	7,12,309	9,95,032
Interest on CC A/c.	1,14,09,651	1,11,08,419
Interest on Car Loan	1,87,987	70,789
Interest on Unsecured Loan A/c.	36,83,092	48,33,611
Interest on Term Loan	11,76,170	20,17,986
Interest A/c	7,96,695	5,17,707
Total	**1,79,65,903**	**1,95,43,544**

Note No: - 3.22 - Other Expense

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
DIRECT EXP:		
Electric Bill Exp.	36,46,460	46,70,939
Gray Cloth Purchase Expense	6,54,789	12,20,542
Ginning and Pressing Exp.	7,20,519	6,00,744
Kapasia Kharajat Expense	1,26,800	-
Market Fees Expense	3,50,250	2,26,500
Oil and Greas Purchase	1,23,097	2,62,811
Ginning Spare Part Purchase	11,83,039	15,31,553
Plastic Strap Purchase	9,02,500	12,79,000
Quality Allowance	20,08,560	4,93,814
Sample Allowance	1,54,902	-
	98,70,916	**1,02,85,904**

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
INDIRECT EXP:		
Advertisement Expense	5,55,100	-
Advocate Fees	84,615	-
Agency charges	25,000	-
Amendment Charges	29,500	-
Audit Fees	2,94,100	66,800
Brokerage Exp.	60,01,862	22,36,920
Canteen Exp.	58,650	18,000
Cash Discount A/c.	67,206	74,903
Cash Handling Charges	975	-
Commitment Charges	32,579	-
Computer Repairing Exp.	19,493	5,504
Consultancy Fees	16,36,071	3,09,600
Cotton Gain	1,56,535	-
Custom Clearing Charges	94,58,432	32,21,619
Donation	6,000	31,000
Electric Exp	18,017	1,16,031
Fire Wooden Exp.	65,282	93,264
GIN - Spare Parts Exp. A/c.	8,400	700
Godown Charges	21,541	-
GST Expense	6,325	-
Inspection Fees	22,180	3,000
Insurance Expenses	1,39,139	3,82,527
Legal & Stamp Exp.	1,000	9,825
Loading & Unloading Charges	-	1,11,820
Lodging & Boarding Exp.	2,38,125	1,00,585
Merchant Banking Fees	30,00,000	-
Measurement Repairing Charges	9,000	9,300
Medical Exp.	1,500	4,938
Misc Exp.	695	17,754
NOC Charges	11,800	-
Office Exp.	1,29,073	1,89,191
P & P Exp. w/off.	78,572	87,300
Petrol Diesel Exp.	16,18,457	12,32,287
Postage and Courier Exp.	428	418

Particulars	For the year ended on March 31, 2019	For the year ended on March 31, 2018
	Amt. in ₹	Amt. in ₹
Professional Fees	17,500	-
Rating Exp.	33,000	43,000
RCM (GST) Exp.	-	6,66,775
Registration Exp.	5,82,782	94,600
Settlement Account	41,57,126	-
Sponsorship charges	344,000	-
Stationery Exp.	209,172	69,214
Stock Audit	21,850	-
Telephone and Internet Exp.	19,121	23,892
Testing Exp.	27,406	1,152
TM Charges	10,000	-
Tractor Rent Exp.	-	60,000
Transportation Exp.	78,74,300	19,87,674
VAT Expenses	-	8,076
Vehicle Repairing Exp	255,707	3,81,542
Travelling Exp	415,584	3,445
Vatav Kasar	130,339	-
Valuation Fees	-	15,000
Write off of GST Credit	(13,03,060)	-
Weight Shortage on Sales A/c.	87,40,782	17,52,204
	4,53,31,258	**1,34,29,860**
Total	**5,52,02,174**	**2,37,15,764**

1. Balance Confirmation

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

2. Prior Period and Extraordinary Item

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

Prior period item has been recognised in the current year in case of Gratuity provision made during the year and other items where there were omissions made in the accounting during the previous financial year.

3. Event Occurring after Balance Sheet Date

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

These events can broadly be classified in two ways:

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

b) Those which are indicative of conditions that arose subsequent to the balance sheet date.

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

4. Earnings Per Share

Particular	Year ended March 31st, 2019	Period ended March 31st, 2018
Net Profit as per Profit and Loss Statement (Amount in ₹)	46,14,232	1,15,83,595
Weighted Average Number of Equity Shares (Amount in ₹)	40,73,458	25,00,000
Nominal Value Per Share (in ₹)	10.00	10.00
Basic EPS	1.13	4.63
Diluted EPS	1.13	4.63

*The weighted average number of equity shares for calculation of EPS for the year 2018-19.

Calculation of Weighted Average Number of Equity Shares

Sr. No.	Date	Particulars	No. of shares	No of days share were outstanding	Weighted Average No of Equity Shares
1	1-Apr-2018	Opening balance of outstanding equity shares	2500000	365	2500000
2	25-Sep-2018	Right Issue of equity shares	2300000	188	1184658
4	10-Jan-2019	Initial Public offer of equity shares	1752000	81	388800
5	31-Mar-2019	Closing Balance of outstanding equity shares	6552000	-	4073458

5. Impairment of Assets

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

6. Micro Small and Medium Enterprises (MSME)

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

The company has dispatch letter by post for asking MSME Registration of Vendors. Till date company has not received any confirmation on that. Hence in the absence of information all vendors are classified under Non-MSME Creditors.

7. Deferred Tax Assets/Liability

The component of Deferred Tax Assets/Liability provided as on March 31st, 2019, is as under:

(Amount in ₹)

Particular	Year ended March 31st, 2019	Period ended March 31st, 2018
Opening Deferred Tax Assets/ (Liability)	4,14,553	43,696
Add/(Less): Deferred Tax Assets/(Liability) created during the year	2,56,651	3,70,857
Closing Net Deferred Tax Assets/ (Liability)	6,71,204	4,14,553

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

8. Retirement Benefits

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

a) **Defined Contribution Plan** (Provident Fund) included in Employee Benefit Expenses during Current Year is ₹ 7,04,112

b) **Defined Benefit Plan**: -

The Payment of Gratuity Act, 1972 is only applicable to employees who have at least completed 5 full years of the service with the current employer. In case of the company, it has no employee have completed five full years of service before or during 2018-19 and hence no gratuity provision is required to be created during the year.

9. Related Party Transactions

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

Party	Relation	Transaction	Amount (in ₹)
Kushal Patel	Director	Remuneration	18,00,000
Kushal Patel	Director	Loan Accepted	2,48,82,357
Kushal Patel	Director	Loan Repaid	4,22,28,235
Nitin Patel	Director	Loan Accepted	1,82,45,745
Nitin Patel	Director	Loan Repaid	2,71,86,154
Nitin Patel	Director	Remuneration	18,00,000
Amit Patel	Director	Loan Accepted	19,46,206
Amit Patel	Director	Loan Repaid	2,54,620
Amit Patel	Director	Remuneration	18,00,000
Aditya Oil Industries	Directors partner of firm	Purchase of Raw Material	5,44,05,953
Aditya Oil Industries	Directors partner of firm	Sale of product	13,15,37,900
Axita Exports Private Limited	Common Directors	Purchase of Raw Materials	21,47,06,199
Axita Exports Private Limited	Common Directors	Sale of Products	68,23,31,339

10. Pending Litigations

As per explanation and information provided by management there were no Pending Litigations and Criminal Proceedings against the company as on the Balance Sheet Date except for the following: -

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

A refund of has been claimed from the GST Department amounting to ₹ 1,82,16,204.38 (IGST) relating to F.Y. 2018-19.

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

Malav Shah
Partner
M.NO. 117101

Place: Ahmedabad
Date: May 29 2019

For and on Behalf of the Board
Axita Cotton Limited

Kushal Patel
Managing Director
DIN: 06626639

Amit Patel
Whole Time Director
DIN: 06626585

Riya Patel
CFO

Deepak Chaubisa
CS (M. No.: A45536)

Place: Kadi Mehsana
Date: May 29 2019

NOTICE OF 6TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 6th (Sixth) Annual General Meeting (AGM) of the Members of Axita Cotton Limited ("the Company") will be held on Friday September 27 2019 at 12:30 P.M. at the registered office of the Company at Servey No. 324 357 358 Kadi Thol Road Borisana Kadi Mahesana- 382715 Gujarat to transact the following businesses:

Ordinary Businesses:-

1. Adoption of Financial Statements:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2019, together with the Reports of Board of Directors and the Auditor thereon.

2. Appointment of Mr. Nitinbhai Govindbhai Patel (DIN: 06626646) as director liable to retire by rotation:

To appoint a Director in place of Mr. Nitinbhai Govindbhai Patel (DIN: 06626646) who retires by rotation and being eligible seeks re-appointment.

Explanation: Based on the terms of appointment executive directors and the non-executive are subject to retirement by rotation. Mr. Nitinbhai Govindbhai Patel (DIN: 06626646) who was appointed as Chairman cum Managing Director for the current term and is the longest-serving member on the Board retires by rotation and being eligible seeks re-appointment.

To the extent that Mr. Nitinbhai Govindbhai Patel (DIN: 06626646) is required to retire by rotation he would need to be reappointed as such. Therefore shareholders are requested to consider and if thought fit to pass the following resolution as an ordinary resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act 2013 the approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Nitinbhai Govindbhai Patel (DIN: 06626646) as such to the extent that he is required to retire by rotation."

3. Appointment of Statutory Auditors and fix their remuneration:

Appointment of M/s. Mistry & Shah, Chartered Accountants Ahmedabad (Firm registration number: 122702W) as Statutory Auditor of the Company to hold office as such from the conclusion of 6th (Sixth) Annual General Meeting till the conclusion of 11th (Eleventh) Annual General Meeting of the Company and to authorize the Board of Directors to fix their fees in consultation with the Auditor:

Explanation: Under Section 139 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, every Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. Further, section also provides for rotation of the statutory auditors on completion of the maximum term permitted under the said section.

The Company has received written consent from M/s. Mistry & Shah, Chartered Accountants Ahmedabad (Firm registration number: 122702W) and also received certificate to the effect that they are eligible and qualified to be appointed as such and have not incurred any disqualification cited under Section 141(3) of the act.

In line with the requirements of the Act, the Audit Committee has proposed and the Board of Directors has recommended the appointment of M/s. Mistry & Shah, Chartered Accountants Ahmedabad (Firm registration number: 122702W) as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of 6th (Sixth) Annual General Meeting of the Company till the conclusion of 11th (Eleventh) Annual General Meeting of the Company to be held in the calendar year 2024. Accordingly, the appointment of M/s. Mistry & Shah, Chartered Accountants Ahmedabad (Firm registration number: 122702W) is being placed before the shareholders for their approval by way of an Ordinary Resolution.

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions if any of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), M/s. Mistry & Shah, Chartered Accountants Ahmedabad (Firm registration number: 122702W) be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of 6th (Sixth) Annual General Meeting of the Company till the conclusion of 11th (Eleventh) Annual General Meeting of the Company to be held in the calendar year 2024 at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee in consultation with the Statutory Auditor.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to do all such acts deeds things matters and to execute all such documents as may be required to give effect to this Resolution."

Special Businesses:

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

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act 2013 ("Act") and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Axita Exports Private Limited, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Sale of Raw Material and Sale of Products on such terms and conditions as the Board of Directors may deem fit up to a maximum aggregate value of ₹ 150 Crore for the financial year 2019-20 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

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

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

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act 2013 ("Act") and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the act, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into the contract(s)/arrangement(s)/transaction(s) with Aditya Oil Industries, a related party within the meaning of Section 2(76) of the Companies Act 2013 for Purchase of Raw Materials, Purchase of Products, Sale of Raw Material and Sale of Products on such terms and

conditions as the Board of Directors may deem fit up to a maximum aggregate value of ₹ 150 Crore for the financial year 2019-20 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

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

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

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

Kushal Nitinbhai Patel
Managing Director
DIN 06626639

Date: August 28, 2019
Place: Kadi Mahesana

Notes for Shareholders for Annual General Meeting (AGM):

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act 2013 ("Act") setting out material facts concerning the special business under Item No. 4 to 5 of the Notice is annexed hereto.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.

   A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights then such proxy shall not act as a proxy for any other person or shareholder.

   The instrument appointing the proxy duly completed must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting (on or before September 25 2019 12:30 p.m.). A proxy form for the AGM is enclosed. Proxies submitted on behalf of limited companies societies etc. must be supported by appropriate resolutions / authority as applicable.
3. Members/Proxies should bring their Attendance slip duly signed and completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. In case of joint holders attending the meeting together only holder whose name appearing first will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will be closed from Saturday September 21 2019 to Friday September 27 2019 (both days inclusive) same will be re-opened from Saturday September 28 2019 onwards.
7. The route map showing directions to reach the venue of the 6th AGM is provided at the end of this Notice.
8. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. www.axitacotton.com.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act 2013 will be available for inspection by the members at the Annual General Meeting.
10. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act 2013 will be available for inspection by the members at the Annual General Meeting.
11. Members seeking any information with regard to the accounts are requested to write to the Company at least seven days prior so as to enable the Management to keep the information ready at the Annual General Meeting.
12. In pursuance of the provisions of Section 108 of the Act and the Rules framed there under as amended from time to time the Company is exempted from giving the Members the facility to cast their vote electronically through the remote e-voting services on the resolutions set forth in this Notice. However voting through permitted mode under the Companies Act 2013 will be allowed at the venue of Annual General Meeting.
13. All documents specifically referred to in this Notice are opened for inspection at the registered office of the Company between 02.00 p.m. and 04.00 p.m. on all working days (except Saturdays Sundays and Holidays) up to the date of AGM.
14. The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are as follows:

Name of Director	Nitinbhai Govindbhai Patel (DIN 06626646)
Date of Birth	January 27 1965
Date of Initial Appointment	July 16 2013
Date of Appointment (at current term)	October 16 2018
Educational Qualifications	S.S.C (Senior Secondary Class)
Expertise in specific functional areas - Job profile and suitability	11 years into Oil Industries and more than 8 years in Cotton Industries

Name of Director	Nitinbhai Govindbhai Patel (DIN 06626646)
Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)	Axita Exports Private Limited
Memberships / Chairmanships of committees of other public companies**	Nil
Shareholding in the Company:	1785500 Number of Equity Shares
Inter-se Relationship with other Directors.	With Directors & KMP of the Company: Father of our Promoter cum Managing Director Mr. Kushal Nitinbhai Patel Brother of our Promoter cum Whole-Time Director Mr. Amitbhai Govindbhai Patel Uncle of our Chief Financial Officer Ms. Riya Amit Patel.

15. The Company has not declared any dividend. Further the Company does not have any unpaid or unclaimed dividend amount outstanding as on the closure of financial year 2018-19. Therefore the Company is not required to upload the details of Unpaid and unclaimed dividend amounts.

    Further during the year the Company has not transferred any amount to fund established under Section 125 of the Companies Act 2013.

Specific Attention of the Members is drawn to the followings:

1. The members who holds shares of the Company in Physical form are informed that the company is in process of updating records of the shareholders in order to reduce the physical documentation as far as possible. In line with new listing agreement it is mandatory for all the investors including transferors to complete their KYC information. Hence members are requested to update and intimate their PAN phone no. e-mail id and such other information to the Company's Registrars and Transfer Agents Link Intime India Private Limited ("LIPL"). Members are further requested to update their current signature in Link Intime India Private Limited (LIPL) system.
2. To prevent fraudulent transactions members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
3. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number name of the bank and branch details MICR code and IFSC code mandates nominations power of attorney change of address change of name e-mail address contact numbers etc. to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services.
4. 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. Members holding shares in physical form can submit their PAN details to Link Intime India Private Limited (LIPL).
5. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact Link Intime India Private Limited (LIPL) for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to Link Intime India Private Limited (LIPL) the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
7. As per the provisions of Section 72 of the Act the facility for making nomination/nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Nomination Form can be obtained from the Link Intime India Private Limited (LIPL). Members holding shares in physical form may submit the same to Link Intime India Private Limited (LIPL). Members holding shares in electronic form may submit the same to their respective depository participant.
8. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request every member to update their email address with concerned Depository Participant and Link Intime India Private Limited (LIPL) to enable us to send you the communications via email.

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

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

Kushal Nitinbhai Patel
Managing Director
DIN 06626639

Date: August 28, 2019
Place: Kadi Mahesana

EXPLANATORY STATEMENT

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

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

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

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

The value of proposed aggregate transactions with Axita Exports Private Limited is likely to exceed the said threshold limit during the financial year 2019-20.

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

Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Axita Exports Private Limited in the financial year 2019-20.

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

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

Sl.	Particulars	Remarks
1.	**Name of Related Parties**	Axita Exports Private Limited
2.	**Name of the Director or KMP who is related**	Mr. Kushal Nitinbhai Patel & Mr. Nitinbhai Govindbhai Patel
3.	**Nature of Relationship**	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited as well as Axita Exports Private Limited. Mr. Kushal Nitinbhai Patel holds 1998524 number of Equity Shares (Majority Stake) in Axita Cotton Limited and holds 152000 number of Equity Shares (Majority Stake) in Axita Exports Private Limited. Mr. Nitinbhai Govindbhai Patel is Promoter & Chairman cum Managing Director of Axita Cotton Limited and Promoter & Managing Director in Axita Exports Private Limited. Mr. Nitinbhai Govindbhai Patel holds 1785500 number of Equity Shares in Axita Cotton Limited and holds 98000 number of Equity Shares in Axita Exports Private Limited.
4.	**Monetary Value**	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed Rs. 150 Crores in the F.Y. 2019-20 with Axita Exports Private Limited.
5.	**Nature materials terms and particulars of the Contracts/ arrangements/**	Purchase and Sale of Products and Raw Materials and these are dependent on the requirement of both companies for its products and raw materials from time to time and the ability to supply. However such transactions would be in ordinary course of the Company's business and at the arm's length basis.
6.	**Any advance paid or received for the contracts/ arrangements**	As per industry norms customs and usages.
7.	**Tenure of contracts /arrangement**	F.Y. 2019-20
8.	**Any other information relevant or important for the members to take a decision on the proposed resolution.**	Nil

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

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

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

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

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

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

The value of proposed aggregate transactions with Aditya Oil Industries is likely to exceed the said threshold limit during the financial year 2019-20.

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

Hence approval of the shareholders is being sought by way of Ordinary Resolution as per our related party transactions policy for the said Related Party Transaction(s) proposed to be entered by our Company with Aditya Oil Industries in the financial year 2019-20.

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

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

Sl.	Particulars	Remarks
1.	**Name of Related Parties**	Aditya Oil Industries
2.	**Name of the Director or KMP who is related**	Mr. Kushal Nitinbhai Patel & Mr. Nitinbhai Govindbhai Patel & Mr. Amitkumar Govindbhai Patel
3.	**Nature of Relationship**	Mr. Kushal Nitinbhai Patel is promoter & managing director of Axita Cotton Limited and he is partner of Aditya Oil Industries. Mr. Kushal Nitinbhai Patel holds 1998524 number of Equity Shares (Majority Stake) in Axita Cotton Limited and holds 30.00% of Profit/Loss Sharing ratio as Partner in Aditya Oil Industries. Mr. Nitinbhai Govindbhai Patel is Promoter & Chairman cum Managing Director of Axita Cotton Limited and Partner of Aditya Oil Industries. Mr. Nitinbhai Govindbhai Patel holds 1785500 number of Equity Shares in Axita Cotton Limited and holds 30.00% of Profit/Loss Sharing ratio as Partner in Aditya Oil Industries. Mr. Amitkumar Govindbhai Patel is promoter & whole-time director of Axita Cotton Limited and he is partner of Aditya Oil Industries. Mr. Amitkumar Govindbhai Patel holds 712200 number of Equity Shares in Axita Cotton Limited and holds 40.00% of Profit/Loss Sharing ratio as Partner in Aditya Oil Industries.
4.	**Monetary Value**	The estimated aggregate value of contracts/arrangements value for the matters proposed in the resolution shall not exceed Rs. 150 Crores in the F.Y. 2019-20 with Aditya Oil Industries.
5.	**Nature materials terms and particulars of the Contracts/ arrangements/**	Purchase and Sale of Products and Raw Materials and these are dependent on the requirement of both for its products and raw materials from time to time and the ability to supply. However such transactions would be in ordinary course of the Company's business and at the arm's length basis.
6.	**Any advance paid or received for the contracts/ arrangements**	As per industry norms customs and usages.
7.	**Tenure of contracts/ arrangement**	F.Y. 2019-20
8.	**Any other information relevant or important for the members to take a decision on the proposed resolution.**	Nil

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

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

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

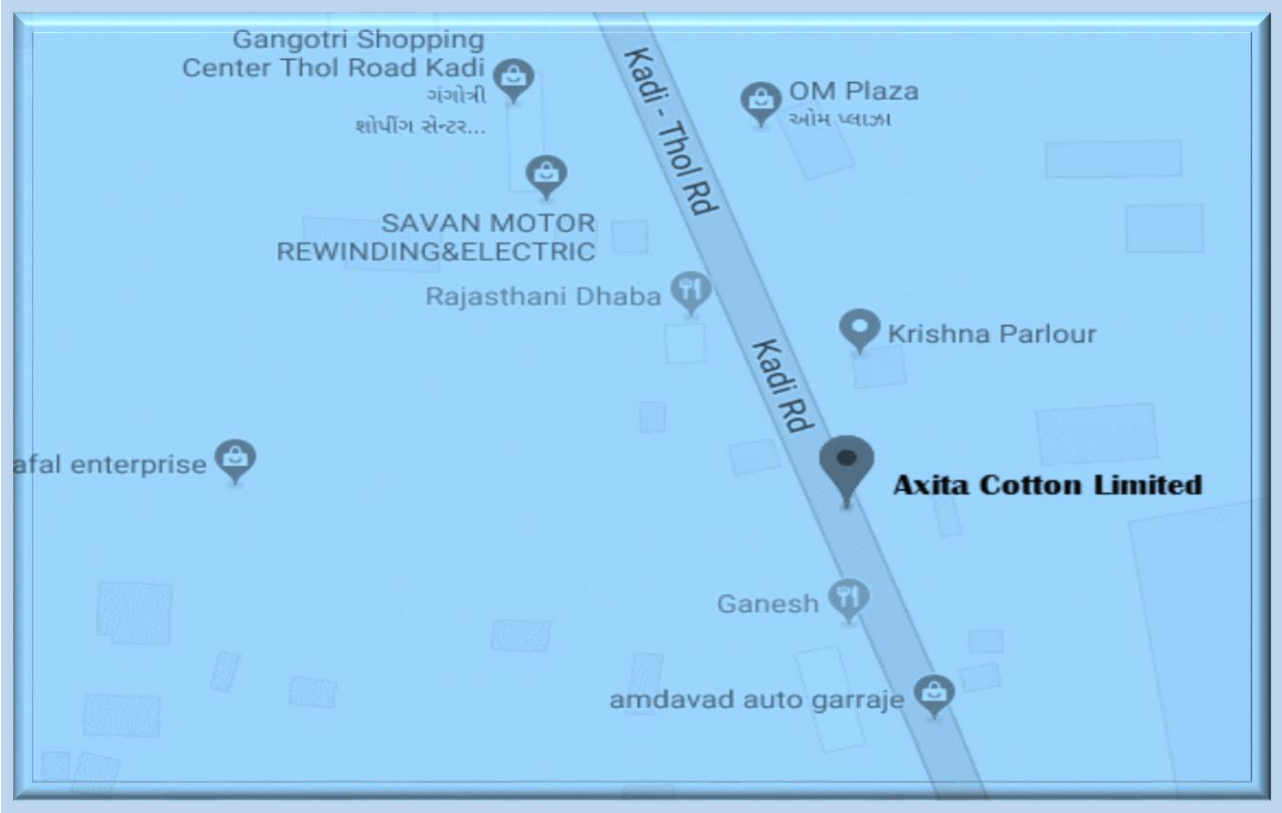
Registered office:
Servey No. 324 357 358,
Kadi Thol Road, Borisana Kadi,
Mahesana - 382715 Gujarat

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

Date: August 28, 2019
Place: Kadi Mahesana

Kushal Nitinbhai Patel
Managing Director
DIN 06626639

ROUTE MAP TO THE VENUE OF 6TH ANNUAL GENERAL MEETING



AXITA COTTON LIMITED
Servey No. 324 357 358 Kadi Thol Road Borisana Kadi Mahesana – 382 715 Gujarat (India).

FOR QUERIES, CONTACT US:
Mobile Number: +91 63587 47514
Email Id: cs@axitacotton.com

AXITA COTTON LIMITED
CIN: L17200GJ2013PLC076059
Registered office: Servey No. 324 357 358, Kadi Thol Road, Borisana, Kadi, Mahesana – 382 715, Gujarat (India).
Web site: www.axitacotton.com; **Email:** cs@axitacotton.com; **Mob. No.:** +91 – 63587 47514

ATTENDANCE SLIP

Regd. Folio No./DP Id No.*/Client Id No.*	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS) (Applicable for investor holding shares in electronic form.)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 6th Annual General Meeting of the Members of Axita Cotton Limited held on Friday, September 27, 2019 at 12:30 P.M. at the registered office of the Company situated at Servey No. 324 357 358, Kadi Thol Road, Borisana, Kadi, Mahesana – 382 715, Gujarat (India).

_____ _____

Member's/Proxy's Name in Block Letters **Member's/Proxy's Signature**

Notes: Please fill up this attendance slip and hand it over at the entrance of the venue of meeting. Members are requested to bring their copies of the Annual Report to the AGM.

---------- Please tear here ----------

PROXY FORM

(Form No. MGT-11 - *Pursuant to section 105(6) of the Companies Act, 2013 Rules made there under)*

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/Client Id	

I/We, being the member (s) of.....shares of the above named company, hereby appoint

1. Name:_____
   Address: _____
   E-mail Id:_____Signature: _____ or failing him
2. Name:_____
   Address: _____
   E-mail Id:_____Signature: _____ or failing him
3. Name:_____
   Address: _____
   E-mail Id:_____Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the Members of Axita Cotton Limited to be held on Friday, September 27, 2019 at 12:30 P.M. at the registered office of the Company situated at Servey No. 324 357 358, Kadi Thol Road, Borisana, Kadi, Mahesana – 382 715, Gujarat (India) and/or any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares		
Ordinary businesses		For	Against	Abstain
1.	Adoption of Financial Statements.			
2.	Appointment of Mr. Nitinbhai Govindbhai Patel (DIN: 06626646) as director liable to retire by rotation.			
3.	Appointment of Statutory Auditor			
Special Businesses				
4.	Approval of the Material Related Party Transactions with Axita Exports Private Limited.			
5.	Approval of the Material Related Party Transactions with Aditya Oil Industries.			

Signed this.....day of....., 2019

Affix Revenue Stamp of not less than ₹1

_____ _____

Signature of shareholder **Signature of Proxy holder(s)**

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before September 25, 2019 at 12:30 P.M.)
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.