



**AKSHAR SPINTEX LIMITED**  
**AKSHAR SPINTEX LIMITED**

Our company was originally incorporated as private limited Company under the Companies Act, 1956 as "Akshar Spintex Private Limited" vide certificate of incorporation dated June 19, 2013 issued by Registrar of Companies, Gujarat. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extraordinary General Meeting held on December 26, 2017 and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 05, 2018, issued by Registrar of Companies, Ahmedabad, Gujarat. The company got listed on SME Platform of BSE Limited on May 11, 2018, bearing Scrip Code 541303 and Scrip Name AKSHAR. Subsequently, the Company migrated its securities to the Main Board of the BSE with Scrip Code 541303 on May 20, 2022 and also received listing and trading approval of its securities with the Main Board of NSE bearing Symbol AKSHAR w.e.f. May 23, 2022. The ISIN of the Company is INE256Z01025. For details see 'General Information' on page 52 of this Letter of Offer.

**Corporate Identification Number:** L17291GJ2013PLC075677

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

**Contact No:** +91-7574887015 **Contact Person:** Mr. Amit Vallabhghai Gadhiya, Managing Director;

**Email-ID:** [cs@aksharspintex.in](mailto:cs@aksharspintex.in) | **Website:** [www.aksharspintex.in](http://www.aksharspintex.in)

**PROMOTERS OF OUR COMPANY: HARIKRUSHNA SHAMJIBHAI CHAUHAN, AMIT VALLABHBHAI GADHIYA, REKHABEN HARIKRUSHNABHAI CHAUHAN**

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF AKSHAR SPINTEX LIMITED ("OUR COMPANY" OR "ISSUER") ONLY**

**ISSUE OF UPTO 48,74,80,500 \* FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 1/- EACH ("RIGHTS EQUITY SHARES") OF AKSHAR SPINTEX LIMITED ("ASL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 1/- EACH AT PAR PER RIGHTS EQUITY SHARE ("ISSUE PRICE") AGGREGATING UPTO ₹ 4,874.81 LAKHS ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 13 (THIRTEEN) RIGHTS EQUITY SHARES FOR EVERY 8 (EIGHT) EQUITY SHARE HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, FRIDAY, AUGUST 23, 2024 ("ISSUE"). THE ISSUE PRICE IS 1 (ONE) TIME THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 278 OF THIS LETTER OF OFFER (the "LOF").**

*\*Assuming full subscription*

**WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS**

Neither our Company nor any of our Promoters or any of Directors are or have been categorized as Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India.

**GENERAL RISK**

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Investors are advised to refer section titled 'Risk Factors' beginning on page 26 of this Letter of Offer before investing in the Issue.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company has made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The existing Equity Shares are listed on **BSE Limited ("BSE")** and **National Stock Exchange of India Limited ("NSE")** (together, the "Stock Exchanges"). Our Company has received 'in-principle' approval from BSE and NSE for listing the Rights Equity Shares to be issued pursuant to this Issue vide their letters bearing reference no. LOD/RIGHT/AB/FIP/342/2023-24 dated May 30, 2024 and reference no. NSE/LIST/41439 dated June 26, 2024 respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For this Issue, the Designated Stock Exchange is BSE.

**REGISTRAR TO THE ISSUE**



**BIGSHARE SERVICES PRIVATE LIMITED**

**Address:** Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India

**Contact Person:** Mr. Suraj Gupta **Tel No.:** +022-62638200

**Email:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com) | **Investor grievance e-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com) | **Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**SEBI Registration No:** INR000001385

**ISSUE PROGRAMME**

**ISSUE OPENS ON**

Monday, September 9, 2024

**LAST DATE FOR ON-MARKET RENUNCIATIONS\***

Tuesday, September 24, 2024

**ISSUE CLOSES ON\*\***

Monday, September 30, 2024

*\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*\*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*



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**DEFINITIONS AND ABBREVIATIONS**

*This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective Applicant only and may not be exhaustive.*

*In this Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the Company’, ‘we’, ‘our’, ‘Our Company’, ‘us’ or similar terms are to Akshar Spintex Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/or prospective Investors in this Rights Issue of Equity Shares.*

*The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ‘Statement of Tax Benefits’, ‘Industry Overview’, ‘Financial Information’, ‘Outstanding Litigations, Defaults, and Material Developments’ and ‘Terms of the Issue’ beginning from page 68, 72, 109, 260 and 278 respectively, shall have the meaning given to such terms in such sections.*

**GENERAL / COMPANY RELATED TERMS**

<b>Term</b>	<b>Description</b>
Akshar Spintex Limited/ ASL / The Company / Our Company	Akshar Spintex Limited, a public limited Company incorporated under the provisions of the Companies Act, 1956, as amended having its Registered Office situated at Revenue Survey No.102/2 Paiki, Plot No. – 2, Village: Haripar, Ranuja Road. Tal: Kalavad, Jamnagar - 361 013, Gujarat, India.
We / us / our / Our Company	Unless the context otherwise indicates or implies, refers to Akshar Spintex Limited together.

<b>Term</b>	<b>Description</b>
AOA / Articles of Association	The Articles of Association of Akshar Spintex Limited, as amended;
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations;
Audited Financial Statements/ Financial Statements	The audited financial statements of our Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, which comprises the balance sheet as at March 31, 2024, March 31, 2023 and March 31, 2022, the statement of profit and loss, including other comprehensive income, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information;
Auditors / Statutory Auditors / Peer Review Auditor	The statutory auditor of our Company, being, M/s. H.B. Kalaria and Associates, Chartered Accountants having their registered office at A-601/602, The Imperial Heights, 150 Ft Ring Road, Opp. Big Bazar, Rajkot – 360001;



Term	Description
Board of Directors / Board	The Board of Directors of Akshar Spintex Limited, including all duly constituted Committees thereof;
Chief Financial Officer / CFO	The Chief Financial Officer of our Company, being Mrs. Poonam Pratik Kapupara;
Client ID	The next 8 digits of the 16-digit Demat account number is the customer ID that is given to every customer by the stockbroker who opens a Demat account with the institution;
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended;
Company Secretary and Compliance Officer	Currently, the Company does not have Company Secretary and Compliance Officer. However, at the time of filing of Draft Letter of Offer dated April 30, 2024 Mrs. Bharti Girdharbhai Ajudiya was Company Secretary and Compliance Officer (resigned with effect from July 21, 2024);
Corporate Social Responsibility Committee	The committee of the Board of Directors constituted as our Company's Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013;
Directors	The director(s) on the Board of our Company, unless otherwise specified;
DP ID	Depository Participant Identification, is a unique 8-digit code assigned to a Depository Participant (DP) by the Depository;
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Akshar Spintex Limited as on the Record Date;
Equity Shares	Equity Share of the Company having Face Value of ₹ 1/- (Rupee One Only), unless otherwise specified;
Financial Information	Collectively Financial Statement;
Financial Statement/Financial Information	The financial statements of our Company for the year period ended on March 31, 2024, March 31, 2023 and March 31, 2022, which comprises the balance sheet as at March 31, 2024, March 31, 2023 and March 31, 2022, the statement of profit and loss, including other comprehensive income, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information thereto prepared in accordance with Ind AS;
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ' <b>Our Management</b> ' beginning on page 96;
Internal Complaints Committee for Sexual Harassment Complaints Redressal	The committee of the Board of Directors constituted as our Company's Internal Complaints Committee for Sexual Harassment Complaints Redressal in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
ISIN of our Company	International Securities Identification Number being INE256Z01025;
Key Management Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled ' <b>Our Management</b> ' beginning on page 96;
MOA / Memorandum of Association	The Memorandum of Association of Akshar Spintex Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations;
Non-executive Director(s)	The Non-executive Director(s) of our Company
Registered Office	The registered office of our Company located at Revenue Survey No.102/2 Paiki, Plot No. – 2, Village: Haripar, Ranuja Road. Tal: Kalavad. Jamnagar - 361 013, Gujarat, India;



Term	Description
Registrar of Companies / ROC	Registrar of Companies, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.
Risk Management Committee	The committee of the Board of Directors constituted as our Company's Risk Management Committee in accordance with Regulation 21 of SEBI LODR Regulations, 2015;
Shareholders	The equity shareholders of our Company, from time to time, unless otherwise specified in the context thereof;
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI LODR Regulations 2015.

#### GENERAL ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allot / Allotment / Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act;
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to this Issue;
Allotment Date	Date on which the Allotment is made pursuant to this Issue;
Allottee(s)	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer, including an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price;
Application Form/ Common Application Form (CAF)	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price;
Application Supported by Blocked amount or ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;
ASBA Account	A bank account maintained with a SCSB and specified in the Application Form or plain paper application for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Shareholders, as the case may be;



Term	Description
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renounees) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020' and 'SEBI/HO/CFD/PoD-2/P/CIR/2023/00094' dated June 21, 2023;
Bankers to the Issue Agreement	Agreement dated August 17, 2024 entered by and amongst our Company and the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from applicants/Investors, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case is Kotak Mahindra Bank Limited;
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in the Issue, and is described in the section titled ' <b>Terms of the Issue</b> ' beginning on page 278;
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time;
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Designated Branches	SCSB Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Exchange	Stock BSE Limited
Draft Letter of Offer/ DLOF	The Draft Letter of Offer dated April 30, 2024 filed with BSE and NSE, in accordance with the SEBI (ICDR) Regulations, for their observations and In-principal approvals respectively;
Eligible Shareholders	Equity Existing Equity Shareholders as on the Record Date i.e., Friday, August 23, 2024. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders;
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time;
Escrow Bank	Collection Banks which are clearing members and registered with SEBI as bankers to an Issue and with whom Escrow Account(s) will be opened, in this case being Kotak Mahindra Bank Limited;
Issue Closing Date	Monday, September 30, 2024



Term	Description
Issue Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form (CAF)/ Application Form and Rights Entitlement Letter;
Issue Opening Date	Monday, September 9, 2024
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹ 1/- (Rupee One Only) per Rights Equity Share;
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount up to ₹ 4,874.81 Lakhs* (*Assuming full subscription)
Issue/ Rights Issue	Issue of up to 48,74,80,500 Equity Shares of our Company for cash at a price of ₹ 1/- (Rupee One Only) per Rights Equity share at par, for an amount up to ₹ 4,874.81 Lakhs on a rights basis to the Eligible Shareholders of our Company in the ratio of 13 (Thirteen) Rights Equity Shares for every 8 (Eight) Equity Share held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Friday, August 23, 2024;
Letter of Offer/ LOF	The Final Letter of Offer dated August 17, 2024, filed with the BSE and NSE after incorporating the observations received from the BSE and NSE on the Letter of Offer, including any addenda or corrigenda thereto;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <b>Objects of the Issue</b> ' beginning on page 60;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Documents	The Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off-Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On-Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Tuesday, September 24, 2024;
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being Friday, August 23, 2024;
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar Agreement	Agreement dated April 25, 2024 entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;
Registrar to the Issue / Registrar / RTA	Bigshare Services Private Limited
Renouncees	Any person(s) who has/have acquired the Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On-Market Renunciation or through Off-Market Renunciation in accordance with the





Term	Description
	SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the Companies Act and any other applicable law;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Monday, September 9, 2024. Such period shall close on Tuesday, September 24, 2024 in case of On-Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. Monday, September 30, 2024;
Retail Individual Investors/ RIIs	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 2,00,000 (including an HUF applying through karta in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations;
Rights Entitlement (s)/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 13 (Thirteen) Rights Equity Shares for every 8 (Eight) Equity Share held by an Eligible Equity Shareholder;  The Rights Entitlements with a separate ISIN 'INE256Z20017' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders;
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully Paid-up basis on Allotment;
SEBI Rights Issue Circulars	Collectively, SEBI ICDR Master Circular, SEBI circulars bearing reference number 'SEBI/HO/CFD/PoD-2/P/CIR/2023/00094' dated June 21, 2023 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', 'SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020', 'SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020', 'SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020' 'SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021' and 'SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022';
Self-Certified Syndicate Banks/ SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmlId=40</a> or such other website as updated from time to time;
Stock Exchanges/Stock Exchange(s)	Stock Exchange(s) where the Equity Shares of the Company are presently listed, being BSE and NSE;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;



<b>Term</b>	<b>Description</b>
Wilful Defaulter/ Fraudulent Borrower	A Company or person, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, Working day means all days on which commercial banks in Gujarat are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Gujarat are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchange, "Working Day" means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;

<b>Term</b>	<b>Description</b>
One Billion	Ten Thousand Lakhs;
One Million	Ten Lakhs;
One Trillion	One Crore Lakhs;
Sq. ft.	Square Foot;
USA	United States of America;
USD	United States Dollar;
WEO	World Economic Outlook;

## **BUSINESS AND INDUSTRY RELATED TERMS**

<b>Terms</b>	<b>Description</b>
ASEAN	Association of Southeast Asian Nations
CAGR	Compound Annual Growth Rate
CCEA	Cabinet Committee on Economic Affairs
CIC	Currency in Circulation
CII	Confederation of Indian Industry
CPI	Consumer Price Index
CSO	Central Statistics Office
DGFT	Directorate General of Foreign Trade
DIPP	Department of Industrial Policy and Promotion
EESL	Energy Efficiency Services Ltd
EV	Electric Vehicle
FDI	Foreign Direct Investment
GDP	Gross Domestic Production
GST	Goods and Service Tax
GVA	Gross Value Added
GW	Gigawatts
HDN	High Denomination notes
HVAC	Heating, ventilation, and air conditioning
IBC	Insolvency and Bankruptcy Code
ICAC	International Cotton Advisory Committee
ICEX	The Indian Commodity Exchange
IIP	Index of Industrial Production
IMF	International Monetary Fund
KV	Kilovolt
KVIC	Khadi and Village Industries Commission
MEIS	Merchandise Exports from India Scheme
MOU	Memorandum of Understanding
M-SIPS	Modified Special Incentive Package Scheme



MSME	Micro, Small & Medium Enterprises
MSP	Minimum Support Price
NBFC	Non-Banking Financial Company
OMO	Open Market Operations
PGVCL	Paschim Gujarat Vij Company Ltd.
PMP	Phased Manufacturing Programme
QA	Quality Assurance
QC	Quality Control
RBI	Reserve Bank of India
SAATHI	Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries
SCBTS	Scheme for Capacity Building in Textile Sector
SITP	Scheme for Integrated Textile Parks
TUFS	Technology Up-gradation Fund Scheme
UNIDO	United Nations Industrial Development Organization
US	United States
USDA	United States Department of Agriculture
WEO	World Economic Outlook

## ABBREVIATIONS

Term	Description
₹/Rs. /Rupees /INR	Indian Rupees, the official currency of the Republic of India;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
AY	Assessment Year;
BSE	Bombay Stock Exchange Ltd.
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
CSR	Corporate Social Responsibility;
Depositories Act	The Depositories Act, 1996;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
DIN	Director Identification Number;
DP	Depository Participant;
DP / Depository Participant	Depository Participant as defined under the Depositories Act;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;



<b>Term</b>	<b>Description</b>
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EPS	Earning per Equity Share;
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 4655.04) registered with SEBI;
FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GOI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GOI;
MN / Mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;



<b>Term</b>	<b>Description</b>
NR/ Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Non-Resident External Account;
NRI	Non-Resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body;
P.A.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent Account Number;
PAT	Profit After Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RONW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
SEBI Act	Securities and Exchange Board of India Act, 1992;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities Transaction Tax;
TDS	Tax Deducted at Source;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;
w.e.f.	With effect from



## NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (*“Issue Material(s)”*) and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and Issue Materials will be sent electronically through email and physical dispatch through registered post/speed post/courier only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and registered post/speed post/courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and the Stock Exchange.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with BSE and NSE (*“Stock Exchange”*) for observations. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer, and, under such circumstances, Issue Materials must be treated as sent for information purpose only and should not be acted upon for subscription to Rights Entitlement and Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of Issue Materials should not, in connection with this Issue of the Rights Equity Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares, or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his/ her jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the Rights to treat any Application Form as invalid where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

**THE CONTENTS OF THE ISSUE MATERIALS SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE, OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF RIGHT ENTITLEMENTS OR RIGHTS SHARES. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF THE RIGHTS ENTITLEMENT OR THE RIGHTS SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS ENTITLEMENT OR THE RIGHTS SHARES REGARDING THE**



## **LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENT OR THE RIGHTS SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

### **NO OFFER IN THE UNITED STATES**

The Rights Entitlement and the Rights Equity Shares of our Company have not been and will not be registered under the United States Securities Act of 1933, as amended (*the "US Securities Act"*), or any U.S. State Securities Laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act.

The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Rights Equity Shares to Eligible Shareholders of our Company on the Record Date and issue materials will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted, and agreed, that:

- a. It is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
- b. It does not have a registered address (and is not otherwise located) in the United States,
- c. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
- d. Our Company believes that Application Form (CAF) is incomplete or acceptance of such Application Form (CAF) may infringe applicable legal or regulatory requirements; and
- e. Our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

### **Our Company reserves the rights to treat as invalid any Application form which:**

- a. Does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations;
- b. Appears to our Company or its agents to have been executed in or dispatched from the United States;
- c. Where a registered Indian address is not provided; or
- d. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (*the "US SEC"*), any state securities commission in the United States or any other U.S regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after



the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**





## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND USE OF CURRENCY OF PRESENTATION

### CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Letter of Offer are to the Republic of India and the “Government” or “GOI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references here into the “US” or “U.S.” or the “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Letter of Offer are in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our “Company”, “we”, “our”, “us” or similar terms are to Akshar Spintex Limited or, as the context requires, and references to “you” are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Letter of Offer is derived from Audited Financials for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022. For further details, please refer to the section titled ‘**Financial Information**’ beginning on page 109. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GOI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”). The Audited Financial Statements of our Company for the Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022, have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Letter For further information, see ‘Financial Information’ beginning on page 109 of this Letter of Offer. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see ‘Financial Information’ on page 109 of this Letter of Offer.



In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

## CURRENCY OF PRESENTATION

All references in this Letter of Offer to “Rupees”, “Rs.”, “₹”, “Indian Rupees” and “INR” are to Rupees, the official currency of the Republic of India.

All references to “U.S. \$”, “U.S. Dollar”, “USD” or “\$” are to United States Dollars, the official currency of the United States of America.

## Exchange Rates

This Letter of Offer contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any rate or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Indian Rupee, are as follows:

Exchange Rate as on	March 31, 2024	March 31, 2023	March 31, 2022
1 USD = INR	83.37	82.22	75.81

(Source: <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>)

## Please Note

In this Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in “Lakhs”. The amounts derived from financial statements included herein are represented in “Lakhs” as presented in the Financial Statements:

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. Industry data used in this Letter of Offer has not been independently verified by our Company, or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled ‘**Risk Factors**’ on page 26. Accordingly, investment decisions should not be based solely on such information.



The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted and methodologies and assumptions may vary widely among different industry sources.



## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'future', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'will continue', 'would', or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward looking statements include, among others:

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- The largely unorganized structure of the market can affect the systematic functioning of the Company.
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Geo political tensions and impact of war is seen in fluctuating conductive ink product prices. Also currency rate fluctuations due to this global scenario can impact business.
- There is an increased global outlook of rising interest rates and inflation which can adversely impact wider economy.
- General economic and business conditions globally, in India and in the markets in which we operate and in the local, regional, and national economies;
- Inability to comply conditions and restrictions on our operations, additional financing and capital structure under agreements governing our indebtedness;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- Our ability to manage our operating costs and impact on the financial results
- Our ability to successfully implement our business strategies and expansion plans;
- Changes in general, political and social conditions in India and elsewhere;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '**Risk Factors**', '**Business Overview (Our Business)**' and '**Management's Discussion and Analysis of Financial Position and Results of Operations**' beginning on pages 26, 84 and 252 respectively. By their nature, certain market risk disclosures are only estimates and could materially be different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that



have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchanges requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled **‘Risk Factors’**, **‘Objects of the Issue’**, **‘Business Overview’** and **‘Outstanding Litigations, Defaults and Material Developments’** beginning on pages 26, 60, 84 and 260 respectively.

**SUMMARY OF THE INDUSTRY**

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralized power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India’s textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

For further details, please refer to the section titled **‘Industry Overview’** at page 72.

**SUMMARY OF OUR BUSINESS**

We are engaged in manufacturing of cotton yarn. We manufacture 100% cotton yarn which include combed, semi combed and carded yarn. Our registered office is situated at Revenue Survey No.102/2 Paiki, Plot No. - 2 Village: Haripar, Ranuja Road. Tal: Kalavad. Jamnagar – 361013, Gujarat, India. The manufacturing facility of our Company is situated at Kalavad of Jamnagar District in Gujarat state in 1,83,437 sq. ft. area which is in the vicinity of the rich cotton growing areas of Gujarat. The company has installed a capacity of total 24,480 spindle. Technology is a crucial aspect of the cotton yarn industry. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn. For further details, please refer to the section titled **‘Business Overview’** on page 84.

**OUR PROMOTER AND PROMOTER GROUP**

The Promoters of our Company are Mr. Harikrushna Shamjibhai Chauhan, Mr. Amit Vallabhbhai Gadhiya, Mrs. Rekhaben Harikrushnabhai Chauhan are the Promoters of the Company and are individually referred to as “Promoter”.

Our Promoter Group are Harikrishna Shamjibhai Chauhan (HUF), Mrs. Pooja Amit Gadhiya, Mrs. Narmadaben Shamjibhai Chauhan, Mrs. Kantaben Vallabhbhai Gadhiya, Mr. Nayan Vallabhbhai Gadhiya and Mrs. Priyanka Harikrushnabhai Chauhan are the Promoter Group of our Company and are referred to as “Promoter Group”.

**OBJECTS OF THE ISSUE**

The Net Proceeds are proposed to be used in the manner set out in the following table:

<b>Particulars</b>	<b>Amount proposed to be Funded from Net Proceeds</b>
To repay in full certain identified long term unsecured loans obtained by our Company	345.67
To augment the existing and incremental working capital requirement of our Company	3300.00
General Corporate Purposes#	1194.14
<b>Total Net Proceeds**</b>	<b>4839.81</b>

(₹ in Lakhs)



#The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

\*\*Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.

For further details, please refer to the section titled '**Objects of the Issue**' beginning on page 60.

## INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTERS & PROMOTER GROUP IN THE ISSUE

The Promoters of our Company have, vide their letters dated April 15, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they will not renounce their rights entitlements. Further, the promoters have confirmed that they do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

## SUMMARY OF FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Financial Statements for the Financial Year ending March 31, 2024, March 31, 2023 and March 31, 2022.

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital	2999.88	2499.90	2499.90
Net Worth <sup>1</sup>	4388.34	4064.15	4323.36
Total Income	17791.41	13792.16	17557.22
Profit / (loss) after tax	345.51	(276.43)	697.69
Basic and diluted EPS (in ₹)	0.12	(1.11)	2.79
Net asset value per Equity Share (in ₹)	1.46	16.26	17.29
Total borrowings <sup>2</sup>	1897.99	1767.43	2564.61

<sup>1</sup>Equity Share Capital and Other Equity

<sup>2</sup>Consists of long term and short term borrowing.

For further details, please refer to the section titled '**Financial Information**' beginning on page 109.

## SUMMARY OF OUTSTANDING LITIGATIONS

(₹ in Lakhs)

Name	By / Against	Criminal Proceedings	Civil Proceedings	Tax Proceedings	Actions by Regulatory Authority	Amount Involved*
<b>Company</b>	By	Nil	1	Nil	Nil	5000.00
	Against	1	2	4	Nil	209.73
<b>Promoter</b>	By	Nil	1	Nil	Nil	5000.00
	Against	1	2	9	Nil	5.76
<b>Group Companies/ Entities</b>	By	N.A.	**N.A.	N.A.	N.A.	N.A.
	Against	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Directors (Other than Promoters)</b>	By	Nil	1	Nil	Nil	5000.00
	Against	1	2	2	Nil	0.13

\*To the extent quantifiable

\*\* Not Applicable



For further details, please refer to the section titled '**Outstanding Litigations, Defaults and Material Developments**' beginning on page 260.

## RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '**Risk Factors**' beginning on page 26.

## CONTINGENT LIABILITIES

The contingent liabilities and commitments are reported in the Financial Statements and details are reproduced herein:

<i>(₹ in Lakhs)</i>				
No.	Particular	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
1.	<u>Other Contingent Liabilities</u> Appeal filed in respect of disputed demands Income-Tax before CIT(Appeals) for A.Y. 2018-19	119.16	119.16	119.16

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '**Financial Information**' beginning on page 109.

## RELATED PARTY TRANSACTIONS

The related party transaction (RPT) is in the nature of Loan as reported in the Financial Statements and details are reproduced herein:

Statement showing details of related party outstanding balances:

<i>(₹ in Lakhs)</i>					
No.	Particular	Nature of transaction	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
1	Rekhaben Chauhan	Loan Interest Payable	56.89 -	56.89 -	56.89 4.60
2	Ilaben Pagdhar	Loan Interest Payable	79.00 -	79.00 -	79.00 6.38
3	Rajdeepbhai Patel	Loan	25.40	25.40	25.40
4	Amitbhai Gadhiya	Loan Interest Payable	101.74 -	126.99 -	- 10.27
6	Harikrushna Chauhan	Loan Interest Payable	82.65 -	168.15 -	298.19 18.22

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '**Financial Information**' beginning on page 109.

## ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except for, Bonus Issue of 4,99,98,000 equity shares of Re. 1/- each fully paid up to the existing shareholders in the ratio of 1:5 ie. 1 (One) New Bonus share of Re. 1/- each for every 5 (Five) Existing equity shares face of value of Re.1/- (one) to eligible members as on 15th February, 2024 being the record date fixed for the purpose, our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.





## **SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

During the quarter ended 30th September, 2023, our Company has carried out corporate action on 31st July, 2023 ("Record Date"), for sub-division /split of existing Equity Shares of the Company from 1(One) Equity Share having face value of Rs. 10/- (Rupees Ten Only) each fully paid up, into 10 (Ten) Equity Share of the face value of Re. 1/- (One) each fully paid up. The post-split share capital of the Company stands at 29,99,88,000 (Twenty Nine Crores Ninety Nine Lakhs Eighty Eight Thousand Only) equity shares of Re. 1/- each.

Except the above our Company has not carried out any corporate action to split or consolidate its Equity Shares in during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.

## **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities laws, as on the date of this Letter of Offer.

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in ‘Industry Overview’, ‘Business Overview’, ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ and ‘Financial Information’ beginning on pages 72, 84, 252 and 109 respectively in this Letter of Offer, before making an investment in our Equity Shares.*

*The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.*

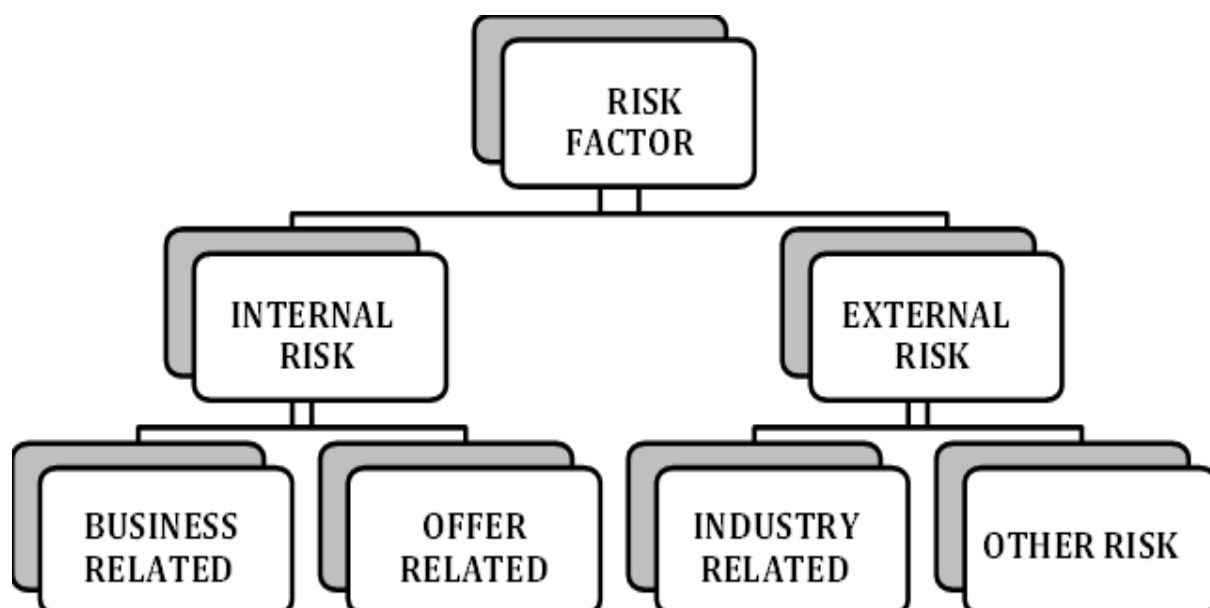
*This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Letter of Offer.*

*The following factors have been considered for determining the materiality of Risk Factors:*

- Some events may not be material individually but may be found material collectively;
- Some events may have material impact qualitatively instead of quantitatively;
- Some events may not be material at present but may have material impact in future.

*Unless specified or quantified in the relevant risk factors below, we are not able to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to “we”, “us”, “our” refers to our Company.*

*The risk factors are classified as under for the sake of better clarity and increased understanding*





## INTERNAL RISK FACTORS

### A. BUSINESS RELATED RISKS

- 1. Our Company, its promoters and directors are currently involved in certain proceedings pending at different levels of adjudication before various authorities, enquiry officers and appellate forums; any adverse decision in such proceedings may render us liable to liabilities and penalties which may adversely affect our business and results of operations.**

Our Company, its promoters and directors are currently involved in certain proceedings pending at different levels of adjudication before various authorities, enquiry officers and appellate forums; any adverse decision in such proceedings may render us liable to liabilities and penalties which may adversely affect our business and results of operations. Also, there is no assurance that in future, we, our promoters, our directors may not face legal proceedings. For further details in relation to legal proceedings involving our Company, Promoters, Directors and Group Company see the chapter titled “*Outstanding Litigation and Material Developments*” on page 260 of this Letter of Offer. A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceeding	Civil/ Arbitration Proceeding	Tax Proceeding/ Outstanding Statutory or Regulatory Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
<b>Company</b>							
By the Company	Nil	1	Nil	Nil	Nil	Nil	5000.00
Against the Company	1	2	4	Nil	Nil	Nil	209.73
<b>Promoters</b>							
By the Promoter	Nil	1	Nil	Nil	Nil	Nil	5000.00
Against the Promoter	1	2	9	Nil	Nil	Nil	5.76
<b>Directors other than promoters</b>							
By the Directors other than Promoters	Nil	1	Nil	Nil	Nil	Nil	5000.00
Against the Directors other than Promoters	1	2	2	Nil	Nil	Nil	0.13
<b>Subsidiaries</b>							
By the Subsidiaries	N.A.*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against the Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A.\*= Not Applicable

- 2. Our Company proposes to utilise part of the issue proceeds for repayment of certain long term unsecured loans from directors, being one of the Objects of the Issue. Accordingly, the said utilization may not be treated as a prudent financial utilisation.**

Our Company proposes to utilise part of the issue proceeds for repayment of certain long term unsecured loans from directors and relative, being one of the Objects of the Issue. The details of the loans identified to be repaid using the Net Proceeds by our Company have been disclosed in the section titled “*Objects of the Issue*” on page 60 of this Letter of Offer. It may raise concerns about investment by the company into more productive purposes or growth opportunities that could generate higher returns



for the Company instead of the said utilization. It could be seen as potential negative impact over shareholders value and accordingly may not be considered as a prudent financial utilisation.

- 3. The Promoters and Promoter group of our Company have, vide their letters dated April 15, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they will not renounce their rights entitlements and/or not intend to subscribe for any under-subscription. The requirement of Minimum subscription is applicable to the issue.**

The Promoters and Promoter group of our Company have, vide their letters dated April 15, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they will not renounce their rights entitlements. Further, the promoters have confirmed that they do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

In terms of Regulation 86(1) of the SEBI ICDR Regulations, 2018 the requirement of minimum subscription is applicable to the Issue i.e. the minimum subscription to be received in the issue shall be at least ninety per cent of the offer through the offer document. Since, minimum subscription is applicable to the issue there are chances of financial opportunity loss to the potential shareholders and investors in case if the said issue is under subscribed up to ninety percent of the offer.

- 4. Our Company's Promoters and Promoter group have frequently sold shares during the 12 months preceding the date of filing of Letter of Offer. Resultantly, the promoter's shareholding in the Company may fall to a very nominal percentage, which may adversely affect the interest of shareholders and investors.**

There have been instances of selling of shares of the Company by the Promoters and Promoter Group of the Company. We cannot provide assurance that the same will not happen in future. Resultantly, the promoter's shareholding in the Company may fall to a very nominal percentage. This could impact upon the prices of stocks of the Company, which may adversely affect the interest of shareholders and investors.

- 5. Our Company has contingent Liabilities. They could adversely affect our financials if they materialize.**

As per our audited financial statements for the year ended March 31,2024, our contingent liabilities are set forth below:

<i>(₹ in Lakhs)</i>	
<b>As on March 31, 2024, our Company has following contingent liabilities as per financials of the Company</b>	<b>Amount</b>
Guarantees to Bank and Financial Institution	NIL
EPCG Obligation	NIL
Other Contingent Liabilities	
Appeal filed in respect of disputed demands Income-Tax before CIT(Appeals) for A.Y. 2018-19	119.16
<b>Total</b>	<b>119.16</b>

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected.

- 6. We have in the past entered into related party transactions and may continue to do so in the future.**

Our Company has entered into certain transactions with our related parties including our Promoters, the Promoter Group, our directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to section



“Related Party Transactions” in Section “Financial Statements as” beginning on page 109 of this Letter of Offer.

The related party transaction (RPT) is in the nature of Loan as reported in the Financial Statements and details are reproduced herein:

Statement showing details of related party outstanding balances:

(₹ in Lakhs)

No.	Particular	Nature of transaction	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
1.	Rekhaben Chauhan	Loan Interest Payable	56.89 -	56.89 -	56.89 4.60
2.	Ilaben Pagdhar	Loan Interest Payable	79.00 -	79.00 -	79.00 6.38
3.	Rajdeepbhai Patel	Loan	25.40	25.40	25.40
4.	Amitbhai Gadhiya	Loan Interest Payable	101.74 -	126.99 -	- 10.27
5.	Harikrushna Chauhan	Loan Interest Payable	82.65 -	168.15 -	298.19 18.22

The aforesaid related party transactions were in compliance with the applicable provisions of the Companies Act, 2013 and other applicable laws.

**7. At the time of filing of Draft Letter of Offer dated April 30, 2024 our Company's securities were subject to surveillance and categorised on account of ESM: Stage 2 by Securities and Exchange Board of India (SEBI), resulting which the investors may face restriction and hinderance in trading**

In order to enhance market integrity and safeguard interest of investors SEBI has introduced various enhanced pre-emptive surveillance measures such as reduction in price band, periodic call auction and transfer of securities to Trade-to-Trade category from time to time.

Along with the aforesaid measures there are additional Graded Surveillance Measures on securities which witness an abnormal price rise not commensurate with financial health and fundamentals.

At the time of filing of Draft Letter of Offer dated April 30, 2024, our Company's securities were under SEBI surveillance and categorised under ESM: Stage 2, repercussions of which are as follows:

- Trade for Trade settlement with price band of 2% and
- Trading permitted with Periodic Call Auction

Due to these actions the investors may face restriction and hinderance in trading. We can't provide assurance that in future the Company will be able to exit the surveillance or even the Company may move to higher stage of the framework or a higher level of Surveillance such as GSM.

All market participants dealing in the securities of our Company have to be extra cautious and diligent as, Exchanges and SEBI may at an appropriate time subject to satisfaction of certain criteria even lay additional restrictions such as:

- placing / continuing securities in trade-to-trade category
- requirement of depositing additional amount as Surveillance Deposit, which shall be retained for an extended period.
- once in a week trading,
- once in a month trading and
- freezing of price on upper side of trading in securities, as may be required
- any other surveillance measure as deemed fit in the interest of maintaining the market integrity

Any such adverse regulatory action or development could affect our Company's operations and result in an adverse effect on the trading price of the Equity Shares.



**8. Our Company has a negative cash flow from its investing activities as well as financing activities in the past 3 years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company had negative cash flows from our investing activities as well as financing activities in the previous year(s) as per the Financial Statements and the same are summarized as under:

(₹ in Lakhs)

Particulars	For the Year ended March 31,		
	2022	2023	2024
Cash Flow from / (used in) Operating Activities	191.24	983.63	477.13
Cash Flow from / (used in) Investing Activities	(18.98)	(17.98)	(450.47)
Cash Flow from / (used in) Financing Activities	(176.15)	(968.91)	(27.41)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

**9. We do not own our corporate office premises, which we have taken on lease from one of our Promoters. Any termination of agreements may require us to vacate such premises and adversely affect our business operations.**

Company's corporate office is taken on lease from one of our Promoters i.e. Mrs. Rekhaben Harikrushnabhai Chauhan. If any such lease agreement under which we occupy the premises is not renewed on terms and conditions that are favourable to us, or at all, we may suffer a disruption in our operation which could have a material adverse effect on our business, financial condition and results of operations. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse effect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our office to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one. For more details on properties taken on lease by our Company, please refer section "Land and Properties" in the chapter titled - "Our Business" beginning on page 84 of the Letter of Offer.

**10. We have had certain inaccuracy in relation to regulatory filings to be made with the ROC and our company has made non compliances of certain provision under applicable law**

In the past, there have been certain instances of inaccuracy in relation to some forms filed in Registrar of Companies and there are some instances where forms are belatedly filed in ROC with requisite additional fees. In the event of any cognizance being taken by the concerned authorities, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

The details of non-compliances /delayed filings by the Company in previous three FY i.e. FY 2021-2022, 2022-2023 and 2023-24, and are as under:

➤ **FY 2021-2022**

S. No.	Non-Compliance	Remark
1.	The National Stock Exchange of India has imposed penalty for non-compliance of Regulation 33 of SEBI (LODR) Regulation, 2015 for submission of Financial Result ended on 31st March, 2022	The fine was imposed by National Stock Exchange for non-compliance of Regulation 33 of SEBI (LODR) Regulation, 2015 for Rs. 1,15,000/- (Plus Tax) which was paid by the Company on 29/07/2022 Note : reversed by the National Stock Exchange vide Letter NSE/LISTSOP/REG /REVERSAL/0381 dated 05/04/2023 on base of application for reversal of fine by the Company

2.	Gujarat Professional tax	The Company has not paid professional tax for the year under review amounting to Rs. 5,09,330/- under Gujarat Professional Tax Act.
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S. No.	Delayed Filing	Remark
1.	E-form CHG-4 (Particulars for Satisfaction of Charges)	The Company delayed the filing of E-Form CHG-4(due date 30/09/2021) with respect to particulars of satisfaction of charges as per Section 82 of the Companies Act, 2013.However, it was filed on 01/11/2021 along with additional fees.
2.	E-form MGT -14 (Filing of Resolutions and agreements to the Registrar)	The Company delayed the filing of E-Form MGT-14(due date 09/03/2022) with respect to Filing of Resolutions and agreements to the Registrar under section 117 of the Companies Act, 2013. However, it was filed on 01/02/2023 along with additional fees.

➤ **FY 2022-2023**

S. No.	Non-Compliance	Remark
1.	Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act,2013 (Managerial Remuneration)	The payment of remuneration to one director is in excess of what is mentioned in the Section 197 of the Companies Act, 2013 read with Schedule V of the Companies Act.
2.	Section 138 of the Companies Act, 2013 (Internal Audit)	The Internal Auditor was resigned on 12th August 2022 and no new Internal Auditor was appointed up to 31st March 2023.
3.	Section 135 of the Companies Act, 2013 (Corporate Social Responsibility)	The fulfilment of expenditure towards Corporate Social Responsibility is pending for the year ended on 31st March 2023
4.	Regulation 30 along with Schedule III of SEBI LODR Regulation 2015	As per information provided to us by management, the entity provided all the disclosure to the stock exchange as per Regulation 30 along with Schedule III of SEBI LODR Regulation 2015. Some Litigation at Civil Court, Criminal Court, and NCLT was initiated by one shareholder against company but it is informed to us that those incidents are not coming under the materiality policy of Company.
5.	Surveillance measure	Due to unauthorized circulation of video the stock of the company is under Surveillance measure, However As per information provided to us, the Company is not connected with such unauthorized Circulation of video. The Company has raised complaint of circulation of such video at cyber cell.
6.	Gujarat Professional tax	The Company has not paid professional tax for the year under review amounting to Rs. 1,66,000/- under Gujarat Professional Tax Act.
7.	Section 135(5) of the Companies Act, 2013	During the financial year 2022-23 the Company was required to spend a total amount of Rs. 2,20,992/- being the Total CSR Obligation calculated as per Section 135(5) of the Companies Act, 2013.However, the Company was non-compliant in fulfilling its CSR Obligation. It is to be noted that, thereafter the Company has transferred the unspent amount along with 12% interest i.e. a total of Rs. 2,50,000/- to Prime Minister's National Relief Fund on 30th March, 2024.

➤ **FY 2023-2024**

<b>S. No.</b>	<b>Delayed Filing/Non-Compliance</b>	<b>Remark</b>
1.	E-form MGT -14 (Filing of Resolutions and agreements to the Registrar)	The Company delayed the filing of E-Form MGT-14(due date 23/09/2023) with respect to Filing of Resolutions and agreements to the Registrar under section 117 of the Companies Act, 2013. However, it was filed on 25/09/2023 along with additional fees.
2.	Gujarat Professional tax	The Company has not paid professional tax for the year under review amounting to Rs. 1,24,000/- under Gujarat Professional Tax Act.
3.	E-form BEN-2 (Return to the Registrar in respect of declaration under Section 90 of Companies Act, 2013)	The Company delayed the filing of E-Form BEN-2(due date 02/02/2024) with respect to Return to the Registrar in respect of declaration under Section 90 of the Companies Act, 2013. However, it was filed on 08/03/2024 along with additional fees.
4.	Regulation 295 of SEBI(ICDR) Regulation, 2018	The Company has not implemented bonus issue announced in Board meeting held 22 Dec, 2023 within timeline as required under Regulation 295 of SEBI(ICDR) Regulation, 2018. The Management has made unintentional delay and the delay was due to technical glitch. The Company has paid the fines levied by BSE and NSE both amounting to Rs.1, 18,000/-.
5.	Section 203 (4) of the Companies Act, 2013	The ex- Chief Financial Officer Mr. Jagdishbhai Dhirubhai Otradi resigned with effect from 28.05.2023. As per Section 203 (4) of the Companies Act, 2013, if the office of whole-time Key Managerial Personnel is vacated, the resulting vacancy shall be filled-up by the board within period of six months from the date of such vacancy. However, there was delay in filling of the said vacancy as the New Chief Financial officer was appointed on 26.02.2024.
6.	Regulation 26A(2) of SEBI(LODR) Regulations, 2018	The ex- Chief Financial Officer Mr. Jagdishbhai Dhirubhai Otradi resigned with effect from 28.05.2023. As per Regulation 26A(2) of SEBI(LODR) Regulations, 2018 any vacancy in the office of the Chief Financial Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy. However, there was delay in filling of the said vacancy as the New Chief Financial officer was appointed on 26.02.2024.

**11. Our Company failed to fulfill its Corporate Social Responsibility Obligations in prescribed time period for the FY 2022-23 which could attract monetary penalty in future, adversely impact upon the interest of shareholders and investors. Consequently, investor's funds in the company might get affected in the long run.**

During the financial year 2022-23 the Company was required to spent a total amount of Rs. 2,20,992/- being the Total CSR Obligation calculated as per Section 135(5) of the Companies Act, 2013. However, the Company has not fulfilled its CSR Obligation as well as not transferred the unspent CSR amount to a Fund specified in Schedule VII as per Section 135(5) of the Companies Act, 2013 within a period of six months of the expiry of the Financial Year.






Furthermore, the Company has transferred the unspent amount along with 12% interest i.e. a total of Rs. 2,50,000/- to Prime Minister's National Relief Fund on 30<sup>th</sup> March, 2024.

Since the Company has violated the provisions of section 135 of the Companies Act, 2013, there are chances in future that Company and/or Officer in Default could attract monetary penalty. As on the date of the Letter of Offer, the Company has not received any show cause notice in respect with this matter.

In the absence of CSR activities, the investors may become skeptical of the company for not being socially responsible and compliant and thereby not having benevolent intentions in the end. Consequently, investor's funds in the company might get affected in the long run.

**12. Our Companies Intellectual property primarily includes Trademark: 'ASL Logo  with AKSHAR SPINTEX LIMITED' (Registered Trade Mark vide application No.3771191 under class: 23, dated 23/03/2018). We may not be able to adequately protect our intellectual property, which could harm the value of our brand and services and adversely affect our business, financial condition, results of operations, cash flows.**

We consider our brand and intellectual property to be one of our most valuable assets and we believe the strength of our brand gives us a competitive advantage. We use our intellectual property rights to protect the goodwill of our brand, promote our brand name, enhance our competitiveness and otherwise support our business goals and objectives. Our business is dependent upon successfully protecting our intellectual property, including but not limited to our trademarks, copyright and patents. As part of our efforts towards ensuring their protection, we have successfully registered trademark and formatives including its logo marks. We do not have any control over the registration of a trademark by others and if we fail to protect our intellectual property, it could harm the value of our brand and services and adversely affect our business, financial condition, results of operations, cash flows.

**13. Our business is subject to seasonal volatility, which may contribute to fluctuations in our results of operations and financial condition.**

The major raw material used in our manufacturing operations is Cotton. Due to the seasonal availability of the Cotton, our business is seasonal in nature. The period during which our business may experience higher revenues varies from season to season depending upon the availability of Cotton. During the crop season, we are able to procure the cotton at reasonable terms and in large quantities. Whereas during the off season the availability of the cotton is less and also there are price variations. Accordingly, our revenue in one quarter may not accurately reflect the revenue trend for the whole Financial Year. The seasonality our Cotton industry and its impacts may cause fluctuations in our results of operations and financial conditions.

**14. Our cost of production is exposed to fluctuations in the prices of raw material like Cotton bales.**

We are exposed to fluctuations in the prices of raw material like Cotton bales. Thus, we may be unable to control factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Particularly, we face the risk of our products becoming unaffordable for a segment of the demography, if we pass on the increase in the cost of production to our customers through a corresponding increase in the price of our products in order to maintain our historical margins. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. However, Company has a business practice of receiving advance orders and plans to minimize the impact of raw material price fluctuation. For further details of our procurement operations and our cost of production, refer chapters titled "Our Business" and "Financial Statements as" beginning on page 84 and 109 of this Letter of Offer.



**15. Cotton is a highly flammable commodity. Any fire, or such mishaps or accidents at the Company's facilities could lead to property damages, property loss and accident claims.**

Cotton being a highly flammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. The risk of fire hazard is increased due to increased automation and use of large volume of air for material handling. Blow room and carding area are more prone to such hazard. Any spark generated at these places can not only generate fire but also the same could propagate to other machines through cotton conveying. Though we have taken insurance policy to cover damage caused by fire however, the cover may not be adequate to the loss suffered.

**16. The raw materials and the finished products stored at our factory premises may be subject to distortion and colour fading due to lapse of time.**

The raw materials and the finished products of our Company are stored at the warehouse located in the factory of our Company. Cotton is subject to change in colour simply through their own natural aging process. In case the raw materials remained unused or the finished products remained unsold for a period of time they may fade their colour which may render them useless or reduce their usefulness. In case of any such incidence we may be required to either scrap the said product or we may be not be able to realize proper price of the said products which could have an adverse effect on the profitability and production schedule of the Company.

**17. Our Company is dependent on third party transportation providers for the delivery of finished Products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.**

Our Company uses third party transportation providers for delivery of finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition, raw materials/ finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**18. We may be unable to attract and retain employees with the requisite skills, expertise and experience, which would adversely affect our operations, business growth and financial results**

We rely on the skills, expertise and experience of our employees to provide quality services to our customers. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in the textile industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnel's or any material increase in labour costs as a result of the shortage of skilled labour, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results. Further, if we fail to identify suitable replacements of our departed staff, our business and operation could be adversely affected and our future growth and expansions may be inhibited.

**19. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.**

Modernization and technology upgradation is essential to provide better services to customers. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations. Our failure



or inability to incorporate any change in technology might place our competitors at an advantage in terms of costs, efficiency and timely delivery of the final products.

**20. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables and inventory. We intend to continue growing by reaching out to new customers and also increasing sales to the existing customers and thereby reaching to other geographical areas. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement. A brief Summary of our working capital position is given below: -

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March,		
	2022	2023	2024
<b>A. Current Assets</b>			
Inventories	3318.23	1737.68	2410.23
Trade Receivables	103.51	1213.04	502.80
Cash and Cash Equivalents	5.00	1.74	0.98
Short Term Loans & Advances	0.25	0	0
Other Current Assets	1456.41	642.97	304.03
<b>Total Current Assets</b>	<b>4883.40</b>	<b>3595.43</b>	<b>3218.05</b>
<b>B. Current Liabilities</b>			
Trade Payables	1357.79	1479.06	834.43
Other Current Liabilities	1445.61	457.93	451.49
Short Term Borrowings	754.81	745.49	700.36
Provisions	113.43	55.58	52.41
<b>Total Current Liabilities</b>	<b>3671.64</b>	<b>2738.07</b>	<b>2038.69</b>
<b>Working Capital (A-B)</b>	<b>1211.76</b>	<b>857.37</b>	<b>1179.36</b>
<b>Inventories as % of total current assets</b>	<b>67.95</b>	<b>48.33</b>	<b>74.90</b>
<b>Trade receivables as % of total current assets</b>	<b>2.12</b>	<b>33.74</b>	<b>15.62</b>

**21. Our business operations are majorly concentrated in certain geographical regions especially in the state of Gujarat, India and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.**

As on date of the Letter of Offer, our Company has its registered office and Corporate Office situated within the state of Gujarat, India. Further, the manufacturing operations of the Company are also carried on in the state of Gujarat only. A major portion of our total sales are made from state of Gujarat. Such geographical concentration of our business in this region heightens our exposure to adverse development related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in this region to expand our operations in other parts of India, should we decide to further expand our operations.

Factors such as government compliances, competitions, culture, regulatory regimes, business practice and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in this region, and our experience in such regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local contractors, farmers, relevant government authorities, and who are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas



outside Gujarat market may adversely affect our business prospects, financial conditions and results of operations.

**22. *We generally do business with our customers on purchase order basis and do not enter into long-term contracts with most of them.***

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers nor has any marketing tie up for our products. Further, our Company has not appointed any exclusive agents for handling its operations. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

**23. *Reduction or termination of policies instituted to promote growth of the textile sector may adversely affect our business.***

The Government of India has instituted several policies to promote the growth of the Indian textile sector. These include interest rate subsidies, Power duty Exemptions and Power Tariff Benefits. Our Company avails certain benefits under such promotional policies, the brief of which is provided under Letter of Offer. Termination of or variation in the terms of such policy (ies) can adversely impact our profitability and/ or our business operations.

**24. *Our Company does not have any formal long-term arrangements with the suppliers and customers. Any significant variation in the supply & demand may adversely affect the operations and profitability of our Company.***

Major raw material used in the manufacturing at our Company is cotton, for the procurement of cotton we dependent on external suppliers and we do not have any formal long-term arrangements with our suppliers which oblige them to maintain their business with us. Our ability to maintain close and satisfactory relationships with our suppliers may impact our supplies and affect our production process. We also have not entered into any long-term agreements with our customers. In the event of any change in the preference or production schedule of the customer, our customer may terminate the orders which may affect our Company's business, results of operations and revenues. Also, there is no assurance that the customers and suppliers will continue to supply raw materials to us and these customers will continue to purchase products from us. This could impact the financial performance of our Company and affect our financial condition.

**25. *Out of our top ten customers, one of our customers contributes a significant amount of our revenues for the period ended March 31, 2024. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Out of our top ten customers, one of our customers contributes a significant percentage around 35-36 percent of the total revenue of operations for the period ended March 31, 2024. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We believe we have maintained good and long-term relationships with our customers. However, there can be no assurance that we will continue to have such long-term relationship with them also any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

**26. *Textile Industry is an extremely competitive industry and we may not be able to maintain our market position, which in turn may adversely impact our business, results of operations and financial condition.***



Our products are based on fashion as well as specific needs of customers. We also undertake research activities with our suppliers to ensure that varied range of products are produced. Our purchase and sales model include various intermediaries who may connect with our competitors and share details of the specialties of our products. We may not be able to protect our trade secrets and may also not be able to defend them.

Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. The segment to which we cater is fragmented and continues to be dominated by unorganized suppliers. We believe that in order to compete effectively, we must continue to maintain our reputation, be flexible and innovative in responding to rapidly changing market demands and consumer preferences, and offer consumers a wide variety of high-quality Products at competitive prices. However, we may face risk of duplication of our products.

There can be no assurance that we can effectively compete with our competitors in the future. We have not entered into any non-disclosure agreements with our intermediaries and thus our efforts towards our marketing and manufacturing research activities may be leaked to other players in the market. This may affect the demand and exclusivity of our products and make us subject to fierce competition thereby adversely affecting our business, financial condition and results of operations.

***27. We are dependent upon the growth prospects of the Cotton fabric industry, where finished products such as apparels are made by using our products.***

Our Company broadly falls under the textile industry of which we undertake the manufacturing of yarns. Cotton yarns face competition from synthetic yarns which are substitutes of our products. Our products are used generally in the apparel and garments industry and thus cater to the requirements of the textile industry at large, thus any slowdown in the growth rate or downward trend in any of these industries directly or indirectly impact our own growth prospects and may result in decline in profits and turnover of sales.

***28. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business prospects, financial condition and results of operations.***

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental laws and regulations, including but not limited to:

1. Environment (Protection) Act, 1986
2. Air (Prevention and Control of Pollution) Act, 1981
3. Water (Prevention and Control of Pollution) Act, 1974
4. Hazardous Waste Management & Handling Rules, 2008
5. Other regulations promulgated by the Ministry of Environment and Forests and the Pollution Control Boards of the state of Gujarat.

which governs the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from the operations of our business. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant.

Further, we are also subject to other laws and regulations, including but not limited to:

- Customs Act, 1962
- The Factories Act, 1948
- The Employees State Insurance Act, 1948, (“ESIC Act”)
- The Minimum Wages Act, 1948
- Employees’ Compensation Act, 1923 (“ECA”)
- Payment of Wages Act, 1936 (“Payment of Wages Act”)
- The Payment of Gratuity Act, 1972 (“Gratuity Act”)



- Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- The Equal Remuneration Act, 1976 (“Equal Remuneration Act”)
- Child and Adolescent Labour (Prohibition and Regulation) Act, 1986
- The Maternity Benefit Act, 1961
- The Gujarat Shops and Establishments Act, 1948
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- The Industrial Disputes Act, 1947

Further, certain tax laws are also applicable to the Company, which are as under:

- The Income Tax Act, 1961
- Central Goods and Service Tax Act, 2017
- Gujarat Value Added Tax Act, 2003
- Finance Act, 1994 (Service Tax)
- The Central Excise Act, 1944
- The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976.

Amendments to any such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

**29. *Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.***

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

**30. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be impaired.***

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of nonregistration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

**31. *We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business and company has taken approvals, NOCs, Licenses, registration and permit from various authority.***

For further details, please refer the chapter titled “Government and Other Statutory Approvals” on page 267 of this Letter of Offer.

**32. *Our business is dependent on the adequate and uninterrupted supply of electrical power and water at a reasonable cost. Failure on account of unavailability of electrical power and water may restrict us in utilizing our full capacity and, hence, may impact our business and results of operation.***

Adequate and cost-effective supply of electrical power is critical to our operations, which entails significant consumption of electrical power. Currently, we source power requirements from Paschim Gujarat Company Limited. Company has a DG set as an alternative supply of power but there can be no assurance that electricity supplied by them will be sufficient to meet our requirements or that we will



be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. Further, if the per unit cost of electricity is increased by the state electricity boards, our power costs will increase and it may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. We draw water from bore well for use in our manufacturing facilities. Lack of sufficient water resources or an increase in the cost of such water used in manufacturing facilities could adversely affect our business, financial condition and results of operations.

**33. *Our manufacturing facilities are located at Kalavad, Jamnagar, Gujarat. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in these facilities may in turn adversely affect our business, financial condition and results of operations.***

Our Company has its manufacturing facilities located at Kalavad, Jamnagar, Gujarat. Our success depends on our ability to successfully utilize these manufacturing facilities to its utmost capacities and deliver our products in order to meet our customer demands in a timely manner. Our manufacturing facilities are susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, plant and machinery, power supply or processes, performance below expected levels of output or efficiency, obsolescence, terrorist attacks, acts of war, break-ins, natural disasters such as earthquakes and industrial accidents and other similar events beyond our control. Further, our manufacturing facility is also subject to operating risks arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

**34. *The industry in which we operate is labour intensive and our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees.***

Our industry being labour intensive is dependent on labour force for carrying out its operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

**35. *We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**36. *Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***



Our products depend on customer's expectations and choice or demand of the customer and trends in the fashion industry. Any failure to maintain the quality standards of our products may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**37. *Any defects in our products could make our Company liable for customer claims, which in turn could affect our Company's results of operations.***

Our Company is bound by the terms and conditions as stated in the purchase order placed by its customers. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by these customers for defects in the products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company's results of operations and financial conditions.

**38. *We have not entered into any technical support service for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.***

Our manufacturing processes involve daily use of technical equipment's and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our company has not entered into any technical support service agreements with any competent third party. However, Company has an in-house team for maintenance and advancement of machinery. Our failure to reduce the downtime in case such events occur may adversely affect our productivity, business and results of operations.

**39. *Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils, earthquake (fire and shock). While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

**40. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 11,20,27,000/- as on March 31, 2023 and Rs.12,53,46,000 /- as on March 31,2024. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the *Financial Indebtedness* please refer to page no. 109 of this Letter of Offer.

**41. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.***

Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to





maintain certain financial ratios. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “*Financial Indebtedness*” on page 109 of the Letter of Offer. Though these covenants are restrictive to some extent to the Company however it ensures financial discipline, which would help the Company in the long run to improve its financial performance.

**42. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since the Issue size is less than Rs.10,000 lakh, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**43. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

**44. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

Our company has declared an interim dividend @ 1% i.e., 1.00/- paisa per Equity Share of face value of Re. 1.00/- each on December 22, 2023 for the FY 2023-24. However, we may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 108 of Letter of Offer.

**45. *Our success depends largely upon the services of our Directors and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our directors have built relations with clients and other persons who are connected with us. Our success is substantially dependent on the expertise and services of our Directors and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key



members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

**46. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement, if any and any loan availed by our Company or as Creditors of the Company.***

Our Directors and Key Managerial Personnel (“KMPs”) are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our directors and key managerial personnel may also be interested to the extent of their shareholding and dividend entitlement, if any, loan availed from them by our Company and Credit balance due to them if any as Creditors of the Company etc. For further information, see “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” on pages 57, 96 and 24, respectively, of this Letter of Offer.

**47. *We have taken guarantees from Promoters and members of Promoter Group in relation to debt facilities provided to us.***

We have taken guarantees from Promoters and members of Promoter Group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled “*Financial Indebtedness*” beginning on page 109 of this Letter of Offer.

**48. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “*Industry Overview*” of this Letter of Offer.

We have made disclosures in the said chapter on the basis of the relevant industry-related data available online for which relevant consents have not been obtained. We have not independently verified such data.

Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry-related disclosure in this Letter of Offer in this context.

**49. *The requirements of being a public listed company on BSE & NSE Main Board may strain our resources and impose additional requirements. Our Company is subject to certain obligations and reporting requirements under SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us/our promoter liable to prosecution and/or penalties.***

With the increased scrutiny of the affairs of a public listed company day by day by shareholders, regulators and the public at large, we may incur significant legal, accounting, corporate governance and other expenses. Our Company is subject to certain obligations and reporting requirements under SEBI Listing Regulations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes in a timely manner as required under applicable rules and/or regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us/our promoter liable to prosecution and/or penalties.



**50. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the offer. Further we have not identified any alternate source of financing the 'Objects of the Offer'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.**

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the offer. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 60 of this Letter of Offer.

## **B. OFFER RELATED RISKS**

**51. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021, October 01, 2021 and May 19, 2022 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.**

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021, October 01, 2021 and May 19, 2022, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer the section titled 'Terms of the Issue' beginning on page 278.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

**52. Our company will not distribute the letter of offer, letter of offer and application form to certain overseas Shareholders who have not provided an address in India for service of documents.**

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials/ Issue Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

**53. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.**



The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On-Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

***54. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the Rights to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

***55. Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investor's shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

***56. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect your ability to sell, or the price at which you can sell, Equity Shares at a particular point in time.***

We are subject to a daily "circuit breaker" imposed by all Stock Exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian Stock Exchanges. The percentage limit on our circuit breakers is set by the Stock Exchanges based on the historical volatility in the price and trading volume of our Equity Shares.

***57. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. It is pertinent to note that pursuant to the Finance Bill, 2017, it has



been proposed, that with effect from April 1, 2017, this exemption would only be available if the original acquisition of equity shares was chargeable to STT. The Central Government is expected to, however notify the transactions which would be exempt from the application of this new amendment. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to applicable short-term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident, subject to the availability of certain documents. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. For more details, please refer to 'Statement of Tax Benefits' beginning on page 68 of this Letter of Offer.

**58. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

**59. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**60. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the section titled '**Objects of the Issue**' beginning on page 60. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**61. *Investors will be subject to market risks until the Issue Shares credited to their demat accounts are listed and permitted to trade.***

Investors can start trading the Issue Shares allotted to them only after they are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Issue Shares to the date when trading approval is granted for them. Further, we cannot assure you that the Issue Shares allocated to an Investor will be credited to the Investor's demat account or that trading in the Equity Shares will commence in a timely manner.

**62. *Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form***



***("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of the Equity Shares and except the pending transfers). For details, refer the section titled 'Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form' on page 278 of this Letter of Offer.

***63. The entitlement of Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.***

Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Equity Shares. For details, see "Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 278 of this Letter of Offer.

***64. The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see 'Terms of the Issue' on page 278 of this Letter of Offer.

***65. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 278 of this Letter of Offer. In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.



## EXTERNAL RISK FACTORS

### A. INDUSTRY RISKS

**66. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

### B. OTHER RISKS

**67. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Letter of Offer.***

As stated in the reports of the Auditor included in this Letter of Offer under chapter “*Financial Statements as*” beginning on page 109 the financial statements included in this Letter of Offer are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Letter of Offer to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Letter of Offer. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Letter of Offer should accordingly be limited.

**68. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.



**69. Financial instability in Indian financial markets could adversely affect Our Company's results of operations and financial condition.**

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

**70. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.**

The GOI has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**71. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**72. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.**

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**73. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.**

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or





any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

***74. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

***75. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

***76. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**THE ISSUE**

This Issue has been authorised by way of a resolution passed by our Board of Directors on April 12, 2024 in pursuance of Section 62 and other applicable provisions of the Companies Act, 2013. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been determined by Board of Directors/Rights Issue Committee at its meeting held on August 17, 2024.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in section titled '**Terms of the Issue**' beginning on page 278.

<b>Equity Shares Outstanding Prior to the Issue</b>	29,99,88,000 Equity Shares
<b>Rights Equity Shares Offered in the Issue</b>	Up to 48,74,80,500 Rights Equity Shares
<b>Equity Shares outstanding after the Issue (Assuming full subscription for and allotment of the Rights Entitlement)</b>	78,74,68,500 Equity Shares
<b>Rights Entitlement for Equity Shares</b>	13 Rights Equity Shares for every 8 Equity Shares held on the Record Date
<b>Record Date</b>	Friday, August 23, 2024
<b>Face Value Per Equity Share</b>	₹ 1/- each
<b>Fractional Entitlement</b>	<p>The Right Equity Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 13 (Thirteen) Rights Equity Share(s) for every 8 (Eight) Equity Shares held as on the Record Date.</p> <p>As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than 8 (Eight) Equity Shares or is not in the multiple of 8 (Eight) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Right Shares over and above their Rights Entitlements, if any, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.</p>
<b>Issue Price Per Rights Equity Share</b>	₹ 1/- per Rights Equity Share at par
<b>Issue Size</b>	48,74,80,500 Fully Paid Equity Shares of Face Value of ₹ 1/- each for cash at a price of ₹ 1/- per Rights Equity Share amounting up to ₹ 4,874.81 Lakhs
<b>Terms of The Issue</b>	Please refer to the section titled ' <b>Terms of the Issue</b> ' beginning on page 278;
<b>Use of Issue Proceeds</b>	Please refer to the section titled ' <b>Objects of the Issue</b> ' beginning on page 60;
<b>Security Code/ Scrip Details</b>	<b>ISIN:</b> INE256Z01025 <b>BSE Scrip ID:</b> 541303 <b>NSE Symbol:</b> AKSHAR <b>ISIN for Rights Entitlements:</b> INE256Z20017

For details in relation fractional entitlements, see the section titled '**Fractional Entitlements**' under the section **Terms of the Issue** on page 287 of this Letter of Offer.



## Terms of Payment

Amount payable per rights equity share	Face value (₹)	Premium (₹)	Total (₹)
On Application	1.00	0.00	1.00
<b>Total</b>	<b>1.00</b>	<b>0.00</b>	<b>1.00</b>

## Issue Schedule

<b>Issue Opening Date</b>	Monday, September 9, 2024
<b>Last date for On-Market Renunciation of Rights*</b>	Tuesday, September 24, 2024
<b>Issue Closing Date**</b>	Monday, September 30, 2024

*\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such manner that the Rights Entitlement are credited to the demat account of the Renouncees on or prior to the Issue Closing Date*

*\*\*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*



## GENERAL INFORMATION

Our company was originally incorporated as private limited Company under the Companies Act, 1956 as “Akshar Spintex Private Limited” vide certificate of incorporation dated June 19, 2013 issued by Registrar of Companies, Gujarat. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extraordinary General Meeting held on December 26, 2017 and the name of our Company was changed to “Akshar Spintex Limited”, vide a fresh Certificate of Incorporation dated January 05, 2018, issued by Registrar of Companies, Ahmedabad, Gujarat. The company got listed on SME Platform of BSE Limited on May 11, 2018, bearing Scrip Code 541303 and Scrip Name AKSHAR. Subsequently, the Company migrated its securities to the Main Board of the BSE with Scrip Code 541303 on May 20, 2022 and also received listing and trading approval of the securities with the Main Board of NSE bearing Symbol AKSHAR w.e.f. May 23, 2022. The ISIN of the Company is INE256Z01025. For details see ‘General Information’ on page 52 of this Letter of Offer.

### Registered Office of our Company

<b>Akshar Spintex Limited</b>	
<b>Registered Office Address</b>	Revenue Survey No.102/2 Paiki, Plot No. – 2, Village: Haripar, Ranuja Road. Tal: Kalavad. Jamnagar - 361 013, Gujarat, India.
<b>Contact No.</b>	: +91- 75748 87015
<b>Email</b>	: <a href="mailto:info@aksharspintex.in">info@aksharspintex.in</a>
<b>Website</b>	: <a href="http://www.aksharspintex.in">www.aksharspintex.in</a>
<b>CIN</b>	: L17291GJ2013PLC075677
<b>Registration No.</b>	: 075677

### Registrar of Companies

<b>The Registrar of Companies, Gujarat, Dadra Nagar Haveli</b>	
<b>Address</b>	: ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013, Gujarat, India
<b>Contact No.</b>	: 079-27438531
<b>Email</b>	: <a href="mailto:roc.ahmedabad@mca.gov.in">roc.ahmedabad@mca.gov.in</a>

### Changes in our Registered Office

There is no change in the registered office of the Company since its Incorporation. The registered office of our Company is situated as follow:

**Revenue Survey No.102/2 Paiki, Plot No. – 2,  
Village: Haripar, Ranuja Road. Tal: Kalavad.  
Jamnagar - 361 013, Gujarat, India.**

### Board of Directors of our Company

<b>Name, Designation and Age of Directors</b>	<b>DIN</b>	<b>Address</b>
<b>Mr. Amit Vallabbhai Gadhiya</b> Executive Director and Managing Director Age: 38	06604671	2/10 Lal Krupa, Kevadavadi, Canal Road, Rajkot – 360 001, Gujarat.
<b>Mrs. Ilaben Dineshbhai Paghdar</b> Executive Director Age: 48	07591339	Ambika Township Road, Flat No – 1204, Wing-A, Cozy Courtyard, Nana Mava, Rajkot – 360 005, Gujarat.
<b>Mr. Harikrushna Shamjibhai Chauhan</b> Chairman & Whole Time Director Age: 57	07710106	Akshar Bhuvan, Parnakuti Society, Street no. 5, Block No. 65/A, Nana Mava Road, Rajkot-360001, Gujarat, India.



Name, Designation and Age of Directors	DIN	Address
<b>Mr. Nirala Indubhai Joshi</b> Non-Executive and Independent Director Age: 67	08055148	Block No. 34, Vasundhra Residency, Opp. Govindbhai Solanki Vadi, Airport Road, Raiya Road, Rajkot -360007, Gujarat, India.
<b>Mr. Rohit Bhanjibhai Dobariya</b> Non-Executive and Independent Director Age: 43	08085331	Vrundavan, Vaniyawadi 1/6 Corner, Vaniyawadi Main Road, Opp. G.Patel Pan, Rajkot - 360007, Gujarat, India
<b>Mr. Parshotam L Vasoya</b> Non-Executive and Independent Director Age: 44	09229252	Khodiyar Nagar-1, Veraval (Shapar) Tal: Kotda Sangani, Veraval – 360 024, Gujarat.

For further details of our Board of Directors, please refer to the section '**Our Management**' beginning on page 96.

### Company Secretary and Compliance Officer

Currently, the Company does not have Company Secretary and Compliance Officer. However, at the time of filing of Draft Letter of Offer dated April 30,2024 Mrs. Bharti Girdharbhai Ajudiya was Company Secretary and Compliance Officer (resigned with effect from July 21, 2024).

### Chief Financial Officer

#### MRS. POONAM PRATIK KAPUPARA

<b>Address</b>	: 704 Imperial height, opp. Big Bazar Rajkot-360005
<b>Tel No.</b>	: +91-7574887015
<b>Email</b>	: <a href="mailto:cfo@aksharspintex.in">cfo@aksharspintex.in</a>
<b>Website</b>	: <a href="http://www.aksharspintex.in">www.aksharspintex.in</a>

### Bankers of our Company

#### SOUTH INDIAN BANK

<b>Address</b>	: Ground floor, Shantiniketan Complex, K.K.V Circle,150 Ft. Ring Road, Rajkot-360005
<b>Tel No.</b>	: +91-0281-2585947
<b>Email</b>	: <a href="mailto:br0466@sib.co.in">br0466@sib.co.in</a>
<b>Website</b>	: <a href="http://www.southindianbank.com">www.southindianbank.com</a>
<b>Contact Person</b>	: Mr. Bastin K Paul

### Registrar to the Issue

#### BIGSHARE SERVICES PRIVATE LIMITED

<b>Address</b>	: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093
<b>Tel No.</b>	: 022 - 62638200
<b>Contact Person</b>	: Mr. Suraj Gupta
<b>Email</b>	: <a href="mailto:rightsissue@bigshareonline.com">rightsissue@bigshareonline.com</a>
<b>Investor grievance e-mail</b>	: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>
<b>Website</b>	: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
<b>SEBI Reg. No.</b>	: INR000001385



## Banker to the Issue/ Refund Bank

<b>Kotak Mahindra Bank Limited</b>	
<b>Address</b>	Kotak Infiniti, 6 <sup>th</sup> Floor, Building No. 21, Infinity Park, Off Western Express : Highway, General AK Vaidya Marg, Malad (East), Mumbai – 400 097, Maharashtra, India
<b>Tel No.</b>	: 022-66056588
<b>Email</b>	: cmsipo@kotak.com
<b>Website</b>	: <a href="http://www.kotak.com">www.kotak.com</a>
<b>Contact Person</b>	: Mr. Siddhesh Shirodkar
<b>SEBI Reg. No.</b>	: INBI00000927

## Statutory Auditor of our Company

<b>M/S. H. B. KALARIA &amp; ASSOCIATES, CHARTERED ACCOUNTANTS</b>	
<b>Address</b>	: A-601/602, The Imperial Heights, Opp. Big Bazaar, 150 ft. Ring Road, Rajkot-360005, Gujarat, India
<b>Tel No.</b>	: +91- 2581501/02/03
<b>Contact Person</b>	: Mr. Hasmukh B. Kalaria
<b>Email</b>	: <a href="mailto:info@hbkalaria.in">info@hbkalaria.in</a>
<b>Membership No.</b>	: 42002
<b>Firm Reg. No.</b>	: 104571W
<b>Peer Review No.</b>	: 013511

## Grievances Relating to Issue Related Matter

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '**Terms of the Issue**' beginning on page 278.

## Expert

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent dated April 16, 2024 from our Statutory Auditors, M/s. H. B. Kalaria & Associates, Chartered Accountants, to include their name in this Letter of Offer to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Financial Statements and the Statement of Special Tax Benefits dated April 16, 2024 included in this Letter of Offer and such consent has not been withdrawn as of the date of this Letter of Offer.

Our Company has received a written consent dated April 15, 2024 from our Legal Advisor, Miss Pooja Sharma, Advocate to include their name in this Letter of Offer and as an 'expert', as defined under applicable laws, to the extent and in their capacity as Legal Advisors of our Company and such consent has not been withdrawn as of the date of this Letter of Offer.

## Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and



updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

## Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>Last Date for credit of Rights Entitlements</b>	Wednesday, September 4, 2024
<b>Issue Opening Date</b>	Monday, September 9, 2024
<b>Last Date for On-Market Renunciation of Rights Entitlements<sup>#</sup></b>	Tuesday, September 24, 2024
<b>Issue Closing Date<sup>*</sup></b>	Monday, September 30, 2024
<b>Finalization of Basis of Allotment (on or about)</b>	Tuesday, October 8, 2024
<b>Date of Allotment (on or about)</b>	Wednesday, October 9, 2024
<b>Date of credit (on or about)</b>	Monday, October 14, 2024
<b>Date of listing or Commencement of trading (on or about)</b>	Tuesday, October 15, 2024

<sup>#</sup>Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date;

<sup>\*</sup>Our Board or a duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

*The above schedule is indicative and does not constitute any obligation on our Company.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date or who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., Monday, September 30, 2024, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., Monday, September 30, 2024.

Investors are advised to ensure that the Applications Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 278 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at [www.bigshareonline.com](http://www.bigshareonline.com) after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see '**Credit of Rights Entitlements in demat accounts of Eligible Shareholders**' beginning on page 281 of this Letter of Offer.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.



## **Credit Rating**

As this proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

## **Debenture Trustee**

As this proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

## **Monitoring Agency**

Since the Issue Size does not exceed ₹ 10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue in terms of SEBI (ICDR) Regulation.

## **Appraising Entity**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

## **Underwriting**

This Issue is not underwritten and our Company has not entered any underwriting arrangement.

## **Filing**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, has amended Regulation 3 (b) of the SEBI (ICDR) Regulations as per which the threshold of the rights Issue Size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from ₹ 10 Crores to ₹ 50 Crores.

Since the size of this Issue falls below this threshold, this Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

## **Minimum Subscription**

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if the issuer Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, the issuer Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, the Issuer Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under ***'Terms of the Issue'*** beginning on page 278 of this Letter of Offer.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, the issuer Company is not required to achieve minimum subscription for the Rights Issue in case of the following reason:

1. Objects of the issue being other than capital expenditure for a project
2. Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

Promoters and Promoter group of our Company have, vide their letters dated March 15, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they will not renounce their rights entitlements. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue.





## CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

*(₹ in Lakhs, except data relating to shares)*

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
<b>Authorized Equity Share capital</b>		
82,00,00,000 Equity Shares of face value of ₹ 1 each	8200.00	NA
<b>Issued, subscribed and paid-up Equity Share capital before this Issue</b>		
*29,99,88,000 Equity Shares of face value of ₹ 1 each	2999.88	NA
<b>Present Issue in terms of this Letter of Offer</b>		
48,74,80,500 Equity Shares of face value of ₹ 1 each	4,874.81	4,874.81
<b>Issued, subscribed and paid-up Equity Share capital after the Issue</b>		
78,74,68,500 Fully Paid Equity Shares of face value of ₹ 1 each	7874.69	7874.69
<b>Subscribed and paid-up Equity Share capital</b>		
78,74,68,500 Fully Paid Equity Shares of face value of ₹ 1 each	7874.69	
<b>Securities Premium account</b>		
Before the Issue	299.70	
After the Issue	299.70	

**Notes:**

- (a) *The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on April 12, 2024.*
- (b) *\*Bonus Issue of 4,99,98,000 equity shares of Re. 1/- each fully paid up to the existing shareholders in the ratio of 1:5 i.e. 1 (One) New Bonus share of Re. 1/- each for every 5 (Five) Existing equity shares face of value of Re.1/- (one) to eligible members whose name appeared in the register of members/ list of beneficial owners provided by Depositories/ RTA as on 15<sup>th</sup> February,2024 being the record date fixed for the purpose. Post Bonus issue the paid-up share capital stands at 29,99,88,000 equity shares of Re 1/- each.*
- (c) *Assuming full subscription for allotment of Rights Equity Shares;*
- (d) *Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;*

**Notes to the Capital Structure**

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer;
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
3. As on the date of this Letter of Offer, our Company has not issued any special voting Rights Equity Shares and there are no outstanding Equity Shares having special voting rights;



4. The Ex-rights price arrived in accordance with the formula prescribed Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ 1.49/- (One Rupee Forty-Nine Paise Only)\*;

\* Since the Company has maximum volume of trading on NSE, the volume weighted market price has been determined accordingly, for the purpose of calculation of Ex-rights price.

5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Letter of Offer, our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares.

6. **Details of stock option scheme of our Company**

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

7. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

None of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

8. **Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer**

None of our Promoters or members of Promoter Group acquired any Equity Share of the Company in the last one year prior to the filing of the Letter of Offer.

9. **Intention and participation by the promoter and promoter group**

The Promoters of our Company have, vide their letters dated April 15, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement and that they will not renounce their rights entitlements. Further, the promoters have confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

Further, the Promoters and certain members of our Promoter Group may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfilment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In case this Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.



## 10. Shareholding Pattern of our company

The shareholding pattern of our Company as on June 30, 2024 is as follows:

- a) The details of the shareholding pattern of our Company as on June 30, 2024 can be accessed on the website of exchange at

**BSE:**

<https://www.bseindia.com/stock-share-price/akshar-spintex-ltd/akshar/541303/qtrid/122.00/shareholding-pattern/jun-2024/>

**NSE:**

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=AKSHAR&tabIndex=equity>

- b) The statement showing the holding of Equity Shares of persons belonging to the category “Promoter and Promoters Group” as on June 30, 2024 can be accessed on the website of exchange at

**BSE:**

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=541303&qtrid=122.00&QtrName=Jun-24>

**NSE:**

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=AKSHAR&tabIndex=equity>

- c) The statement showing holding of the Equity Shares of persons belonging to the category “Trading Members” holding more than 1% or more of the Total Shares as on June 30, 2024, can be accessed on the website of exchange at

**BSE:**

<https://www.bseindia.com/corporates/shpdrPercnt.aspx?scripcd=541303&qtrid=122.00&CompName=Akshar%20Spintex%20Ltd&QtrName=Jun-24&Type=TM>

**NSE:**

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=AKSHAR&tabIndex=equity>

**OBJECTS OF THE ISSUE**

Our Company proposes to utilize the gross proceeds raised through the Issue (the **“Issue Proceeds”**) after deducting the Issue related expense (**“Net Proceeds”**) for the below mentioned Objects:

1. To repay in full certain identified long term unsecured loans obtained by our Company;
2. To augment the existing and incremental working capital requirement of our Company;
3. General Corporate Purposes.  
*(Collectively, referred to herein as the “Objects”).*

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

**Issue Proceeds**

The details of Issue Proceeds are set forth in the following table:

<b>Particulars</b>	<b>(₹ in Lakhs)</b> <b>Amount</b>
Gross Proceeds from the Issue*	4874.81 <sup>#</sup>
<b>Less:</b> Estimated Issue related Expenses	35.00
<b>Net Proceeds from the Issue</b>	<b>4839.81</b>

*\*The Issue Size will not exceed ₹ 4874.81 Lakhs. If there is any reduction in the amount on account of or 000 at the time of finalisation of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

*<sup>#</sup>Assuming full subscription of the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.*

**Requirement of Funds, Schedule of Implementation and Utilization of Issue Proceeds**

<b>Particulars</b>	<b>Amount Proposed to be Funded from Net Proceeds (₹ in Lakhs)</b>	<b>Estimated Deployment of Net Proceeds in FY 2024-25 (₹ in Lakhs)</b>
To repay in full certain identified long term unsecured loans obtained by our Company	345.67	345.67
To augment the existing and incremental working capital requirement of our Company	3300.00	3300.00
General Corporate Purposes <sup>#</sup>	1194.14	1194.14
<b>Total Net Proceeds**</b>	<b>4839.81</b>	<b>4839.81</b>

*<sup>#</sup>The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;*

*\*\*Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.*

The above stated fund requirements are based on our current business plan, internal management estimates and have not been appraised by any bank or financial institution or independent agency. Our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. Our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. Given the dynamic nature of our business and the competitive environment in which we operate, we may have to revise our business plan and accordingly, funding requirements may also get altered. Our historical funding requirements may not be reflective of our future funding plans.



We may have to revise our funding requirements and deployment from time to time on account of various factors such as our economic and business conditions, business strategy, increased competition and other external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, taxes and duties, working capital margin which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to applicable law.

If the actual utilisation towards meeting the existing and incremental working capital requirements is lower than the proposed deployment, the balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds. In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Further, in case the Net Proceeds are not completely utilised in a scheduled Financial Year due to any reason, the same would be utilised (in part or full) in the next Financial Year/subsequent period as may be determined by our Company, in accordance with applicable law.

***The deployment of the Net Proceeds from the Issue is based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Issue in accordance with all the applicable laws.***

#### **Means of Finance**

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

#### **Details of the Objects of the Issue**

The details in relation to objects of the Issue are set forth herein below:

##### **1. To repay in full certain identified long term unsecured loans obtained by our Company**

We have entered into various financing arrangements from time to time, with various lenders. As on March 31<sup>st</sup>, 2024 we have total outstanding balance of loans and borrowing (aggregate of secured and unsecured loan) amounting to a total of Rs 1897.99 Lakhs, details of which are enclosed in the table hereunder.

<b>(₹ in Lakhs)</b>	
<b>Particulars</b>	<b>Amount</b>
Aggregate of secured loan	1253.46
Aggregate of unsecured loan	644.53
<b>Total outstanding balance</b>	<b>1897.99</b>

Our Company was in receipt of sanction letter from State Bank of India dated 25<sup>th</sup> January 2014 for Bank finance and credit facilities aggregating to Rs. 48.35Crores. The said sanction letter stipulated a condition that "If the cash/internal accruals are less than the projections, the promoters shall raise interest free unsecured loans for the corresponding amount and the payment of term loan instalments/ interest shall be made from the promoter's own sources.

As a part of conditions stipulated under the sanction letter the directors and promoters of the Company provided unsecured loans to the Company for margin requirements as and when required. The Company has utilised the proceeds of such unsecured borrowings from directors and their relatives to meet margin requirement of bank borrowing. It is to be noted that the Company has not entered into



any formal agreement with the lenders and there is no specific rate of interest and term of such unsecured borrowing is fixed.

The identified long term unsecured loan was in terms of the sanction condition of the bank borrowing, therefore the Company has complied with the applicable provisions of the Companies Act,2013 and was taken on arm's length basis.

As and when required, on various points in time, we have availed long term loans of unsecured nature from directors of our Company and their relatives. The current outstanding principal sum amounts to a total of Rs. 345.67Lakhs, details of which are enclosed in the table hereunder.

Our Company proposes to utilize an estimated amount up to Rs.345.67Lakhs from the Net Proceeds of the Issue towards repayment in full, of the said detailed long term unsecured Loans.

The following table provides details of long-term unsecured loans availed (along with interest) by our Company and proposed amount to be repaid from the Net Proceeds of the issue:

S. N	Name of the lender	Relationship with the Company	Type of Borrowing/ Purpose for which loan was obtained	Name of the Borrower	Amount outstanding on the date of Letter of Offer (Rs. In Lakhs)	Amount proposed to be repaid out of the Net Proceeds of the issue (Rs. In Lakhs)
1.	<b>Mr. Amit Vallabhbhai Gadhiya</b> DIN:06604671 PAN: AJTPG2291B	Managing Director	Long term unsecured loan	Akshar Spintex Limited	101.73	101.73
2.	<b>Mr. Harikrushna Shamjibhai Chauhan</b> DIN:07710106 PAN: ABYPC7188C	Whole-time Director	Long term unsecured loan	Akshar Spintex Limited	82.65	82.65
3.	<b>Mrs. Rekhaben Harikrushnabhai Chauhan</b> PAN: AGKPC9642E	Director relative	Long term unsecured loan	Akshar Spintex Limited	56.89	56.89
4.	<b>Mrs. Ilaben Dineshbhai Paghdar</b> DIN:07591339 PAN: ALZPP3541R	Executive Director	Long term unsecured loan	Akshar Spintex Limited	79.00	79.00
5.	<b>Mr Rajdeep Mansukhbhai Patel</b> DIN:06798457 PAN: BDMPP9497A	Ex-director (Resigned w.e.f. December 02, 2017)	Long term unsecured loan	Akshar Spintex Limited	25.40	25.40
<b>Total</b>					<b>345.67</b>	<b>345.67</b>

The repayment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further



investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will also improve our ability to raise further resources in the future to expand our business. Further, it will save the Company from the future risk of refinancing if the amount is recalled by the Lenders.

## **2. To augment the existing and incremental working capital requirement of our Company**

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, the requirement is proportionate and variable in nature with the growth of the Company. The investment in the working capital requirements of our Company will help us in meeting the expected growth in demand as per the business plans. Such working capital enhancement will help our Company to capitalise on the growth opportunities and expand into the new markets.



The details of estimation of Working Capital Requirement are as under:

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
	Audited	Audited	Audited	Estimated
<b>Current Assets</b>				
Inventories	3,318.23	1,737.68	2410.23	3651.44
Trade Receivables	103.51	1,213.04	502.80	1495.52
Cash and Cash Equivalents	5.00	1.74	0.98	8.83
Short Term Loans and Advances	0.25	0	0.00	825.00
Other current Assets	1,456.41	642.97	304.04	389.00
<b>Total Current Assets (A)</b>	<b>4,883.40</b>	<b>3,595.43</b>	<b>3218.05</b>	<b>6369.79</b>
<b>Current Liabilities</b>				
Trade Payables	1,357.79	1,479.06	834.43	142.05
Other Current Liabilities	1445.61	457.93	451.49	603.70
Short Term Borrowings	754.81	745.49	700.36	750.00
Provisions	113.43	55.58	52.41	0
<b>Total Current Liabilities (B)</b>	<b>3671.64</b>	<b>2738.07</b>	<b>2038.69</b>	<b>1495.75</b>
<b>Working Capital Requirements (A-B)</b>	<b>1211.76</b>	<b>857.37</b>	<b>1179.36</b>	<b>4874.04</b>

Kindly note that the above working capital requirement is for the short-term purpose of the Company.

The following table set forth the holding period (*with days rounded-off to the nearest*) considered:

Particulars	March 31, 2023	March 31, 2024	March 31, 2025
Inventory	83.14	51.45	57.21
Debtors	32.67	10.49	22.59
Creditors	38.84	17.81	2.48

*\*Not annualised*

The number of days as mentioned above has been calculated as follows:

- Receivable turnover in Days = Accounts Receivable divided by Revenue from Operation \* 365
- Inventory Turnover in Days = Inventory divided by Cost of Goods Sold \* 365
- Payable Turnover in Days = Accounts Payable divided by Cost of Goods Sold \* 365
- 

**The working capital projections made by the Company are based on certain key assumptions, as set out below:**

Particulars	Basis of Estimation / Assumption
Inventories	Inventories have been estimated to increase due to increase in estimated sales in the future periods. As the Company sets up its solar facilities, the operating costs of the Company are estimated to decrease and hence, the pricing of the Company's products are estimated to be more competitive in



Particulars	Basis of Estimation / Assumption
	the market and hence, would result in corresponding better utilisation of production capacity of the Company and higher sales going forward. Further, looking to seasonal nature of its major raw material i.e. cotton, the management proposes to ensure sufficient amount of raw material to insure consistency.
Trade Receivables	Trade receivable days have been estimated at 22.59 days in FY 24-25 which are in line with the current market conditions and is in line with the historical credit terms given by the Company.
Trade Payables	Trade payable days have been estimated at 2.48 days in FY 24-25 as the Company has changed its policy to make prompt payments to its creditors to get better discounts from its suppliers.

### 3. General Corporate Purpose

In terms of Regulation 62(2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for General Corporate Purposes shall not in the aggregate exceed 25% of the Gross Proceeds of the Issue. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

### Issue Related Expenses

The total Issue related expenses estimated not to exceed ₹ 35 Lakhs. The Issue related expenses include fees payable to the Legal counsel to this Issue, the stock exchanges, Registrar to the Issue, printing and stationery expenses, advertising, marketing and distribution expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. The break-up of the estimated Issue expenses is disclosed below:

The break-down of the estimated Issue expenses is disclosed below:

Activity	Estimated Expense (₹ in lakhs)	% of Total Estimated Issue Expenses	% of Total Issue Size*
Fees of Registrar to the Issue	3.25	9.29	0.07
Fees to the Legal advisors, other professional service providers and statutory fees	11.00	31.43	0.23
Fees paid to regulators including depositories, Stock Exchange	12.50	35.71	0.26
Statutory Advertising Marketing Printing and distribution of issue stationery	2.50	7.14	0.05
Other expenses (including miscellaneous expenses and stamp duty)	5.75	16.43	0.12
<b>Total estimated Issue expenses*</b>	<b>35.00</b>	<b>100.00</b>	<b>0.72</b>

*\*Subject to finalization of Basis of Allotment and actual Allotment. Above mentioned fees are excluding Taxes. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue. Assuming full subscription.*



## **Appraisal of the Objects**

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

## **Strategic and/or Financial Partners**

There are no strategic and financial partners to the objects of the issue.

## **Schedule of Implementation and Deployment of Funds**

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Financial Year 2024-25.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein.

## **Bridge Financing Facilities**

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue as on the date of this Letter of Offer.

## **Interim Use of Net Proceeds**

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, we undertake to temporarily deposit the funds from the Net Proceeds in deposits with one or more scheduled commercial banks (as included in the Second Schedule of Reserve Bank of India Act, 1934) for the necessary duration. Such investments will be approved by our Board from time to time or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products, providing loans to or for acquiring shares, except in ordinary course of business.

## **Monitoring of Utilization of Funds**

Since the proceeds from this Issue are less than ₹ 10,000 Lakhs, in terms of the SEBI Regulations, there is no requirement for the appointment of a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors and Audit Committee of the Company would be monitoring the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head in our balance sheet along with the relevant details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI (LODR) Regulation, Our Company shall, on a quarterly basis, disclose to the Audit Committee the



uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the Issue Proceeds from the objects of the Issue as stated above.

### **Key Industry Regulations for the Objects of the Issue**

We believe that no additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue other than those as may be prescribed under the Foreign Exchange Management Act, 1999 and the Companies Act, 2013 including rules, regulations, notifications, circulars, guidelines, etc. issued thereunder as amended from time to time.

Except as required under the provisions as mentioned in the above paragraph, our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

### **Other Confirmations**

None of our Promoter, member of Promoter Group and Directors have any interest in the Objects of the Issue. There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel except in the normal course of business and in compliance with the applicable laws.

## STATEMENT OF TAX BENEFITS

**H. B. KALARIA & ASSOCIATES**  
Chartered Accountants

A-601/602, The Imperial Heights, 150 Ft. Ring Road,  
Opp. Big Bazaar, Rajkot - 360 004.

### STATEMENT OF SPECIAL TAX BENEFITS

**The Board of Directors**

**Akshar Spintex Limited**

Address: Revenue Survey No 102/2 Paiki, Plot No. - 2, Ranuja Road, Haripar, Tal: Kalawad, Jamnagar-361013, Gujarat, India

**Re: Proposed rights issue of equity shares of face value of ₹1 each (the “Equity Shares” and such offering, the “Issue”) of Akshar Spintex Limited (the “Company”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the ‘Act’)**

Dear Sirs,

We M/s. **H. B. Kalaria & Associates**, Chartered Accountants, the statutory auditors of the Company hereby report that the enclosed Statement prepared by **Akshar Spintex Limited** (the “Company”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act, 2022 (hereinafter referred to as “**Income Tax Laws**”), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India under the respective tax laws of their country as on the signing date, for inclusion in the Draft Letter of Offer and the Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.



We do not express any opinion or provide any assurance whether:

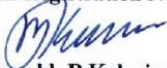
- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

**For M/s. H. B. Kalaria & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 104571W**

  
**Hasmukh B Kalaria**  
**Partner**  
**ICAI Membership Number: 042002**  
**UDIN: 24042002BKBLUK1415**



**Place: Rajkot**  
**Date: 16/04/2024**

**Annexure- I**

**ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO AKSHAR SPINTEX LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS**

**I. UNDER THE INCOME TAX LAWS**

**1. Special tax benefits available to the Company**

There are no special tax benefits available to the Company.

**2. Special tax benefits available to the shareholders**

There are no special tax benefits available to the shareholders of the Company.

**Notes:**

- a. The above Statement sets out the provisions of law in a summarized manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.



**Annexure- II**

**STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO AKSHAR SPINTEX LIMITED  
(THE "COMPANY") AND ITS SHAREHOLDERS**

**II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017  
("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff  
Act") (collectively referred to as "Indirect Tax Laws")**

**1. Special tax benefits available to the Company under the Indirect Tax Laws**

There are no special tax benefits available to the Company.

**2. Special tax benefits available to the shareholders under the Indirect Tax Laws**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

**Notes:**

- a. The above statement is based upon the provisions of the specified Indirect Tax Laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.



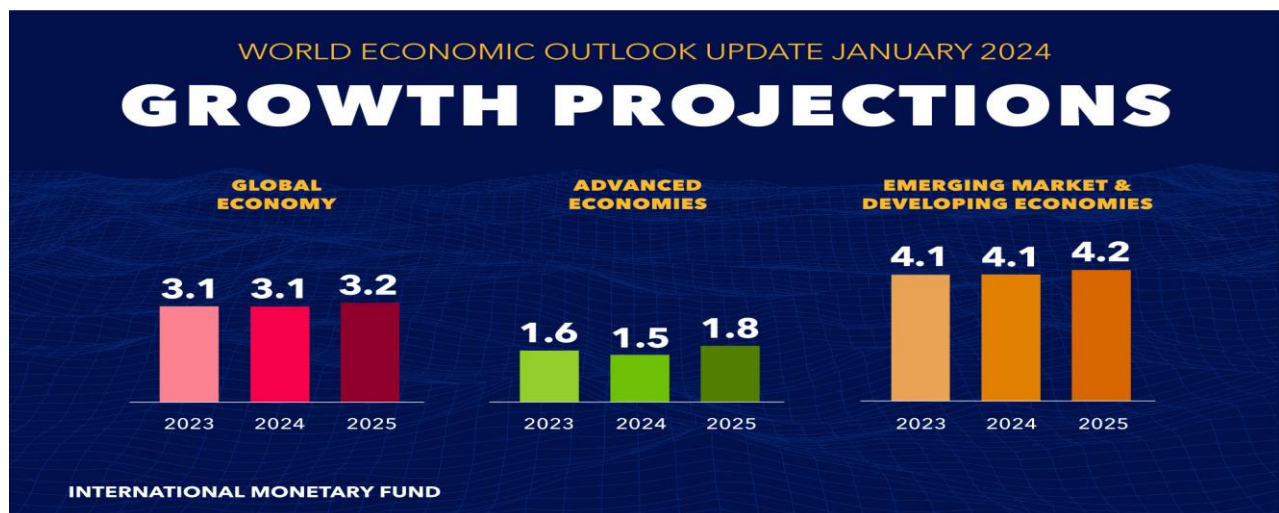
INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect.

**GLOBAL ECONOMIC OUTLOOK**

Economic growth is estimated to have been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still-tight--though easing--labor markets and households drawing down on their accumulated pandemic-era savings. A supply-side expansion also took hold, with a broad-based increase in labour force participation, resolution of pandemic-era supply chain problems, and declining delivery times. The rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment. Low-income economies continue to experience large output losses compared with their prepandemic (2017–19) paths amid elevated borrowing costs.

The global economic recovery from the COVID-19 pandemic, Russia’s invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply-side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024.



Growth in emerging and developing Asia is expected to decline from an estimated 5.4 percent in 2023 to 5.2 percent in 2024 and 4.8 percent in 2025, with an upgrade of 0.4 percentage point for 2024 over the October 2023 projections, attributable to China’s economy. Growth in China is projected at 4.6 percent in 2024 and 4.1 percent in 2025, with an upward revision of 0.4 percentage point for 2024 since the October 2023 WEO. The upgrade reflects carryover from stronger-than-expected growth in 2023 and increased government spending on capacity building against natural disasters. Growth in India is projected to remain strong at 6.5 percent in both 2024 and 2025, with an upgrade from October of 0.2 percentage point for both years, reflecting resilience in domestic demand.



	Estimate		Projections		Difference from October 2023 WEO Projections 1/	
	2022	2023	2024	2025	2024	2025
Argentina	5.0	-1.1	-2.8	5.0	-5.6	1.7
Australia	3.8	1.8	1.4	2.1	0.2	0.1
Brazil	3.0	3.1	1.7	1.9	0.2	0.0
Canada	3.8	1.1	1.4	2.3	-0.2	-0.1
China	3.0	5.2	4.6	4.1	0.4	0.0
Egypt 2/	6.7	3.8	3.0	4.7	-0.6	-0.3
France	2.5	0.8	1.0	1.7	-0.3	-0.1
Germany	1.8	-0.3	0.5	1.6	-0.4	-0.4
India 2/	7.2	6.7	6.5	6.5	0.2	0.2
Indonesia	5.3	5.0	5.0	5.0	0.0	0.0
Iran 2/	3.8	5.4	3.7	3.2	1.2	1.2
Italy	3.7	0.7	0.7	1.1	0.0	0.1
Japan	1.0	1.9	0.9	0.8	-0.1	0.2
Kazakhstan	3.3	4.8	3.1	5.7	-1.1	1.1
Korea	2.6	1.4	2.3	2.3	0.1	0.0
Malaysia	8.7	4.0	4.3	4.4	0.0	0.0
Mexico	3.9	3.4	2.7	1.5	0.6	0.0
Netherlands	4.3	0.2	0.7	1.3	-0.4	-0.2
Nigeria	3.3	2.8	3.0	3.1	-0.1	0.0
Pakistan 2/	6.2	-0.2	2.0	3.5	-0.5	-0.1
Philippines	7.6	5.3	6.0	6.1	0.1	0.0
Poland	5.3	0.6	2.8	3.2	0.5	-0.2
Russia	-1.2	3.0	2.6	1.1	1.5	0.1
Saudi Arabia	8.7	-1.1	2.7	5.5	-1.3	1.3
South Africa	1.9	0.6	1.0	1.3	-0.8	-0.3
Spain	5.8	2.4	1.5	2.1	-0.2	0.0
Thailand	2.6	2.5	4.4	2.0	1.2	-1.1
Türkiye	5.5	4.0	3.1	3.2	0.1	0.0
United Kingdom	4.3	0.5	0.6	1.6	0.0	-0.4
United States	1.9	2.5	2.1	1.7	0.6	-0.1

Source: International Monetary Fund, World Economic Outlook, January 2024 Update.

Note: The selected economies account for approximately 83 percent of world output.

1/ Difference based on rounded figures for the current and October 2023 WEO forecasts.

2/ Data and forecasts are presented on a fiscal year basis.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>)

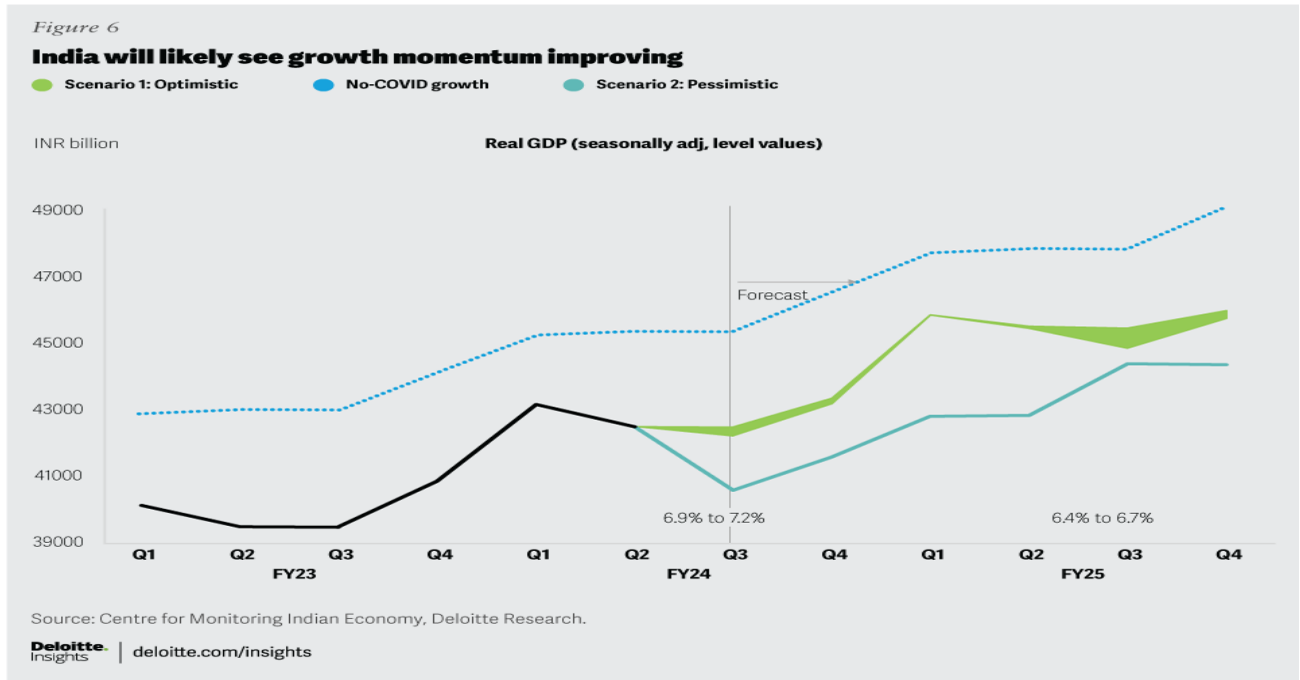
## INDIAN ECONOMIC OUTLOOK

India turned its story around in one decade—one that saw populism breakthrough in the West in 2016, demonetization in 2017, the shadow banking crisis of 2018, a once-in-a-lifetime pandemic in 2020, the highest inflation in 40 years in the West (which still continues), and two wars since early 2022. Despite uncertainties, India managed to sail ahead while building its ship. Extrapolating from Professor Ricardo Hausmann’s “Scrabble” theory of economic development, India took determined and focused actions to



convert know-how and capabilities into unique products and solutions. India’s emphasis on using technology to accumulate and diffuse tacit knowledge, building high-end manufacturing capacity, and improving competitiveness through exports formed the three necessary catalysts that boosted its growth trajectory and improved its economic fundamentals over the years.

Improving fundamentals have buoyed our outlook and we expect India to grow between 6.9% and 7.2% through fiscals 2023 to 2024 in our baseline scenario, followed by 6.4% and 6.7% over the next year. High inflation is expected to persist till the second half of fiscal 2024 due to high food and volatile oil prices and soften thereafter.

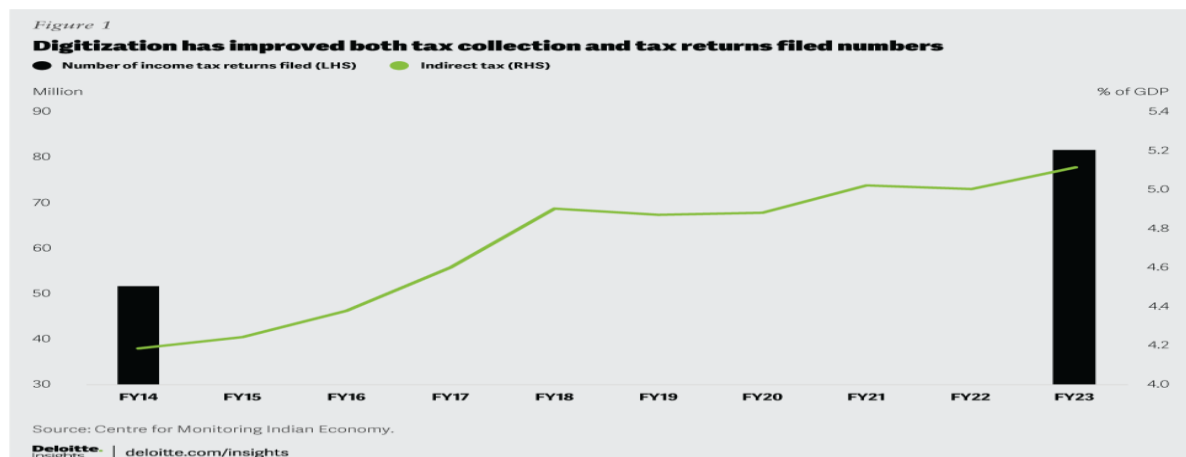


We are optimistic about India’s near-term growth outlook as it reaps the benefits of the steps it has taken so far. We have upped our forecast for this year’s growth after the big bang GDP numbers we witnessed in the second quarter of fiscal 2024—that is between 6.9% and 7.2% or even higher—given the robustness observed in the industry sector. We believe momentum will be strong as the world recovers later in 2024, and as that global recovery tide lifts all boats, India will see much broader economic growth.

The three capabilities (letters) that have driven India’s ability to create unique goods and services are:

**1. Infusing technology:**

India’s digital economy grew 2.4 times faster between 2014 and 2019, generating about 62.4 million jobs.<sup>4</sup> As its know-how and capabilities were enhanced, India started creating newer and more complex products and solutions for its large consumer market, which not just worked as a testing ground but also soon presented opportunities to scale up.



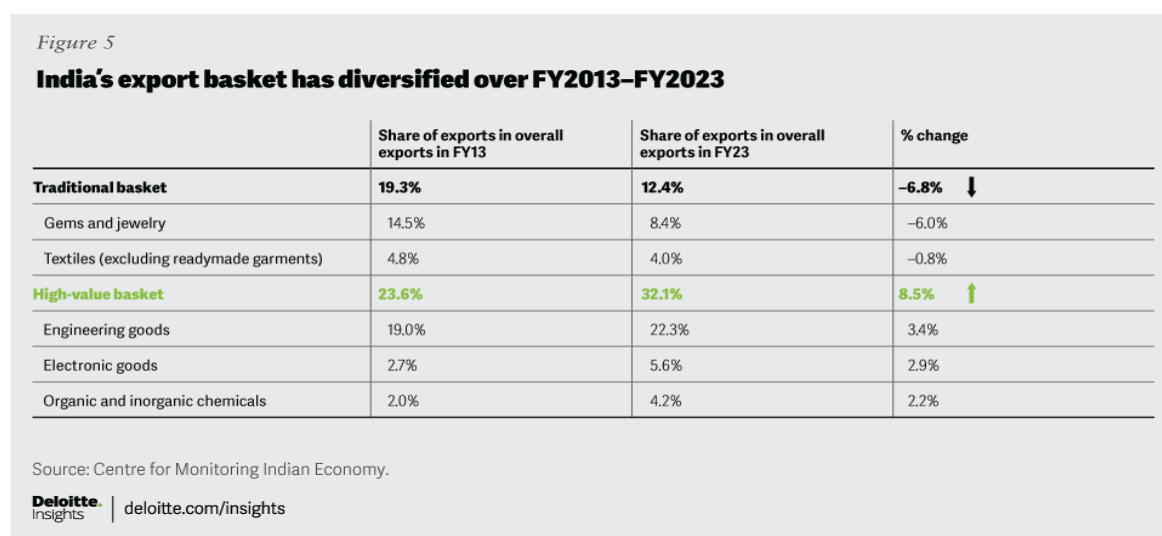
## 2. Branching into niche and complex manufacturing:

According to research conducted by the State Bank of India, out of the estimated INR 5 trillion capex, government has received investment commitments for INR 3 trillion and 21% of committed capex, while 12% of planned capex has been spent in fiscal year 2023 with most capex activity likely to happen between fiscals 2024 and 2026.9 Increased manufacturing capacity has aided in improving share of exports (although it is still relatively small) and narrowed merchandised trade deficit of certain high-end goods. The effect likely will be more pronounced as anticipated capex-building activity intensifies.

## 3. Underscoring competitiveness through exports:

The third catalyst is a robust emphasis on exports. According to Adam Smith’s theory, a nation can specialize depending on the market it serves.

As a result, the proportion of engineering goods, pharmaceuticals, and electronics goods in total exports increased, while traditional baskets’ share fell. More importantly, services exports are increasingly offsetting the merchandise deficit by 25%, while non-IT services exports are also rising.



(Source: <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>)

## INDIAN TEXTILE INDUSTRY OVERVIEW

### Introduction

India’s textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.



India is the world’s second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country’s GDP, 13% to industrial production and 12% to exports. Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. The Indian apparel market stood at US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025. India has a 4.6% share of the global trade in textiles and apparel. Moreover, India is the world’s 3<sup>rd</sup> largest exporter of Textiles and Apparel.

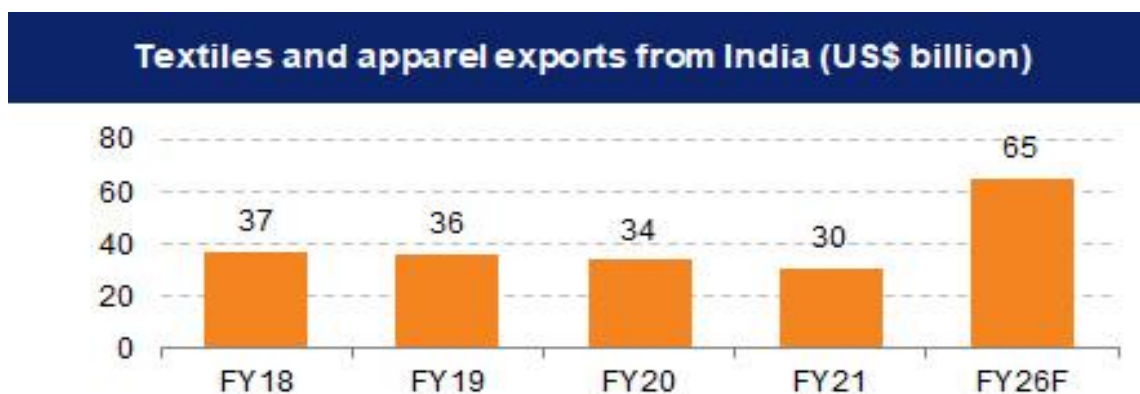
The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India’s textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

In order to attract private equity and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

### Market Size

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4.6% share of the global trade in textiles and apparel. Moreover, India is the world’s 3<sup>rd</sup> largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 65 billion by FY 2026.

The textiles and apparel industry contributes 2.3% to the country’s GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.





The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

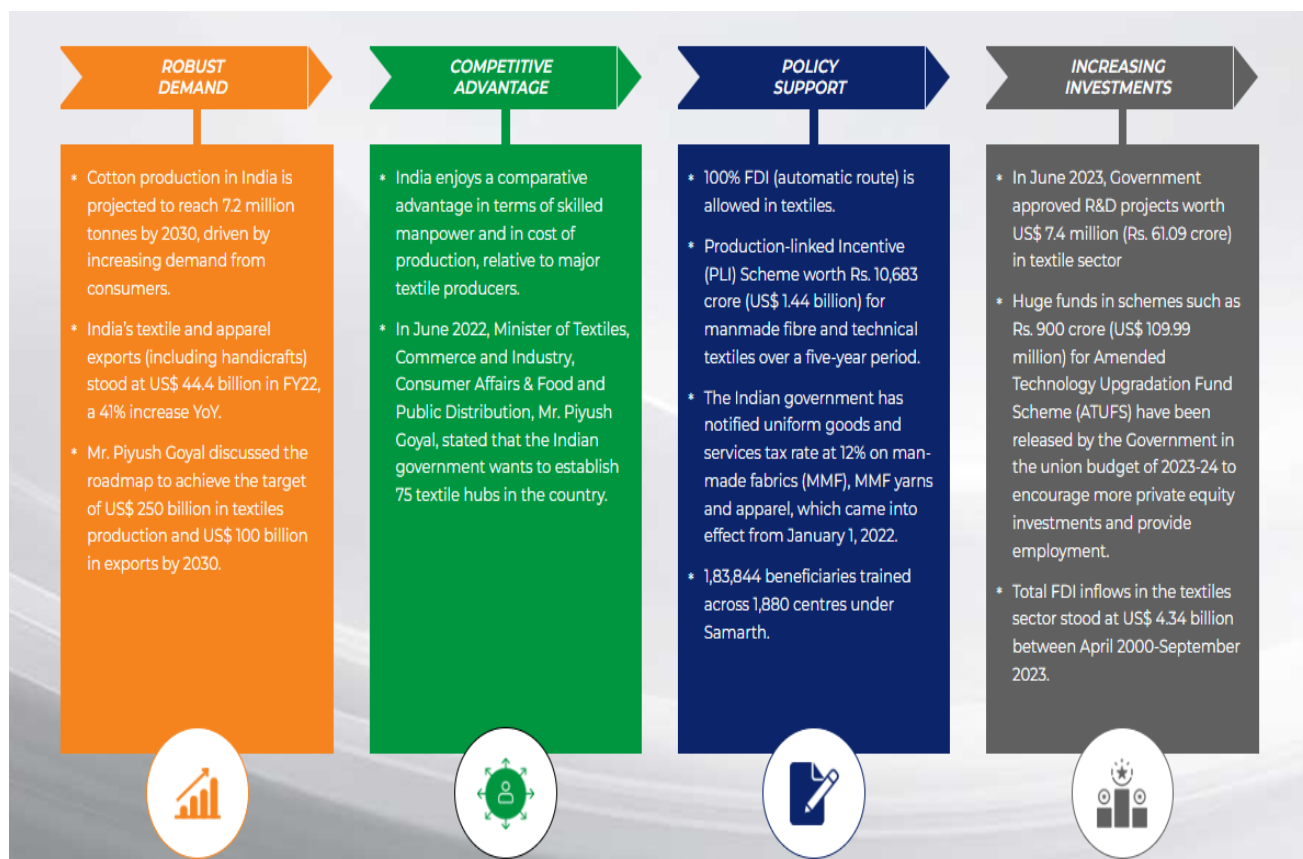
In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US\$ 138 billion to US\$ 195 billion by 2025.

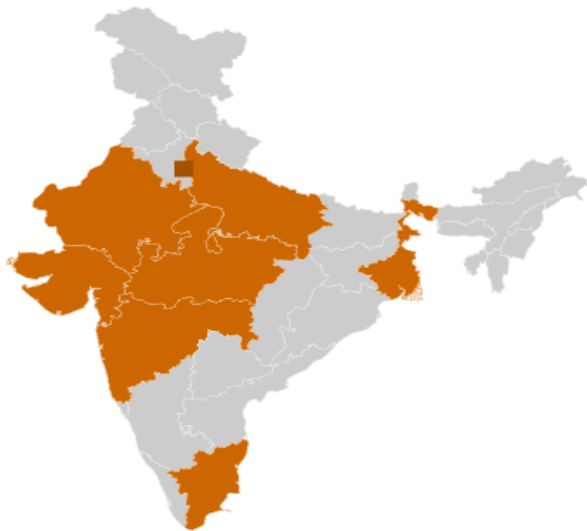
India's textile and apparel exports stood at US\$ 20.01 billion in FY24 (April-October). Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 12.47 billion in FY24 (April-November).

Exports for 247 technical textile items stood at Rs. 5,946 crore (US\$ 715.48 million) between April-June (2023-24).

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

## Advantages





- NCR
- Gujarat
- Maharashtra
- Uttar Pradesh
- West Bengal
- Tamil Nadu
- Madhya Pradesh
- Rajasthan

### Investments and Key Developments

Total FDI inflows in the textiles sector stood at US\$ 4.34 billion between April 2000-September 2023. The textile sector has witnessed a spurt in investment during the last five years.



- DS Group's luxury menswear division, Brioni inaugurates its first boutique in India in November 2023.
- In November 2023, Reliance Foundation launched the first 'Swadesh' handicrafts store in Hyderabad, aimed at supporting and promoting Indian craftwork.
- Industry bodies to host the largest global mega textiles event, Bharat Tex 2024 from February 26-29, 2024, in New Delhi. According to Union Minister, Mr. Piyush Goyal, Bharat Tex 2024 Expo is a testament to India's commitment to becoming a global textile powerhouse.
- In September 2023, the Khadi and Village Industries Commission signed 3 MoUs to promote Khadi Products.
- In September 2023, Grasim Industries plans to open nearly 120 retail stores over the upcoming 2 years, by expanding its footprint in smaller cities and towns.
- In September 2023, Reliance Retail Ventures Ltd. (RRVL) announced the acquisition of Ed-a-Mamma for a 51% stake.
- In September 2023, Shadowfax inaugurated a 1.5 lakh sq. ft. fulfilment centre in Surat with 10 lakh orders per day processing capacity.
- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.

- In May 2023, an investment of around Rs. 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crore (US\$1.04 billion) in other parts of the state.
- In May 2023, Aditya Birla Fashion and Retail Ltd. Announced the acquisition of TCNS Clothing with a deal size of US\$ 198.54 million.
- India is expected to host the 81<sup>st</sup> Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 2<sup>nd</sup> to 5<sup>th</sup> December 2023 in Mumbai with the theme “Cotton Value Chain- Local Innovations for Global Prosperity”.
- Cott-Ally mobile app has been developed for farmers to increase awareness about MSP rates, nearest procurement centers, payment tracking, best farm practices etc.
- In April 2023, Godrej Consumer Products Ltd (GCPL) announced the Rs. 2,825 crore (US\$ 339.93 million) acquisition of Raymond Consumer Care Ltd (RCCL).
- In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million.
- In March 2022, Reliance Retail Ventures Limited (RRVL) acquired a controlling share of Purple Panda Fashions for US\$ 115.8 million
- Sutlej Textiles plans to set up a green field project for 89,184 spindles comprising cotton mélangé yarn and PC grey yarn along with a dye house in Jammu & Kashmir with an estimated cost of US\$ 111.41 million (Rs. 914 crore).
- Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.
- Arvind Limited, the largest textile-to-technology conglomerate in India, and PurFi Global LLC, a sustainable technology firm that specializes in rejuvenating textile waste into virgin-grade products, have formed a joint venture to reduce the quantity of textile waste dumped in landfills.
- In November 2022, local weavers in Tuensang in Nagaland were provided 45 days of skill-upgrading training, which would equal 315 hours under the SAMARTH programme.
- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- Companies in home textiles are using technology to optimize the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.
- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company’s sustainable textiles business.
- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of Rs. 200 crore (US\$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, the flagship company of the US\$ 1.2 billion LNJ Bhilwara Group, was recognized for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL) announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of Rs. 65 crore (US\$ 8.63 million).

## Government Initiatives

The Indian government has come up with several export promotion policies for the textile sector. It has also allowed 100% FDI in the sector under the automatic route.



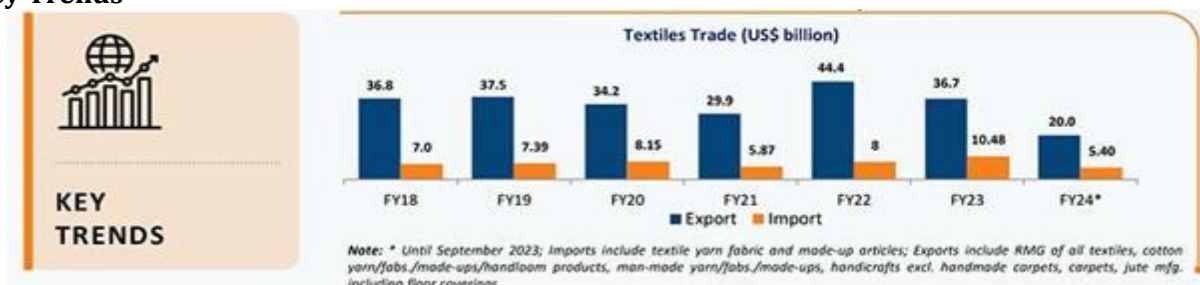
### Other Initiatives taken by Government of India are:

- Mr. Piyush Goyal also discussed the roadmap to achieve the target of US\$ 250 billion in textiles production and US\$ 100 billion in exports by 2030.
- In July 2023, 43 new implementing partners were empanelled under the SAMARTH scheme and an additional target of training around 75,000 beneficiaries has been allocated.
- 1,83,844 beneficiaries trained across 1,880 centres under Samarth.
- In June 2023, the Government approved R&D projects worth US\$ 7.4 million (Rs. 61.09 crore) in the textile sector.
- In February 2023, the union government approved 1,000 acres for setting up a textile park in Lucknow.
- In February 2023, according to the Union Budget 2023-24, the total allocation for the textile sector was Rs. 4,389.24 crore (US\$ 536.4 million). Out of this, Rs. 900 crore (US\$ 109.99 million) is for Amended Technology Upgradation Fund Scheme (ATUFS), Rs. 450 crore (US\$ 54.99 million) for National Technical Textiles Mission, and Rs. 60 crore (US\$ 7.33 million) for Integrated Processing Development Scheme.
- In December 2022, a total of 44 R&D projects were started, and 23 of them were successfully completed. 9777 people were trained in a variety of activities relating to the silk industry.
- In December 2022, a total of US\$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the Amended Technology Upgradation Fund Scheme, with special campaigns held in significant clusters to settle backlog cases.
- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved. 31 new HSN codes have been developed in this space.
- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a “Textile City” in Chennai as part of Tamil Nadu’s strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.



- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Mr. Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.
- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister Mr. MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).

## Key Trends





## Structure and Growth

In contrast to other major textile-producing countries, mostly small-scale, nonintegrated spinning, weaving, cloth finishing, and apparel enterprises, many of which use outdated technology, characterize India's textile sector. Some, mostly larger, firms operate in the "organized" sector where firms must comply with numerous government labor and tax regulations. Most firms, however, operate in the small-scale "unorganized" sector where regulations are less stringent and more easily evaded.

The unique structure of the Indian textile industry is due to the legacy of tax, labor, and other regulatory policies that have favored small-scale, labor-intensive enterprises, while discriminating against larger scale, more capital-intensive operations. The structure is also due to the historical orientation towards meeting the needs of India's predominately low-income domestic consumers, rather than the world market. Policy reforms, which began in the 1980s and continued into the 1990s, have led to significant gains in technical efficiency and international competitiveness, particularly in the spinning sector. However, broad scope remains for additional reforms that could enhance the efficiency and competitiveness of India's weaving, fabric finishing, and apparel sectors.

## Size of Textile Industry in India

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. Around 45 million people are working in the textile business, including 3.5 million people who work on handlooms. The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. The Indian apparel market stood at US\$ 40 billion in 2020 and is expected to reach US\$ 135 billion by 2025. India has a 4.6% share of the global trade in textiles and apparel. Moreover, India is the world's 3<sup>rd</sup> largest exporter of Textiles and Apparel.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5<sup>th</sup> largest technical textiles market in the world. India's sportech industry is estimated around US\$ 1.17 million in 2022-23.

The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027. The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

## Achievements

The government has allocated funds worth Rs. 17,822 crore (US\$ 2.38 billion) between FY16-22 for the 'Amended Technology Up-gradation Fund Scheme' (A-TUFS) to boost the Indian textile industry and enable ease of doing business.

Amazon India has signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDC), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.

To support the handloom weavers/weaver entrepreneurs, the Weaver MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US\$ 134.22) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.

The new Economic Cooperation and Trade Agreements with Australia and the UAE will open multiple opportunities for textiles and handloom. Indian textile exports to Australia and the UAE will now face zero duties, and the government is expecting that soon, Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.

Top players in the textiles sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.



## Road Ahead

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on the rise. The government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are achieving sustainability in their products by manufacturing textiles that use natural recyclable materials.



With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

(Source: <https://www.ibef.org/industry/textiles> )



## BUSINESS OVERVIEW

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk.*

*For a discussion of certain risks in connection with investment in the Equity Shares, you should read the section titled **'Risk Factors'** beginning on page 26, for a discussion of the risks and uncertainties related to those statements, as well as **'Financial Information'** and **'Management's Discussion and Analysis of Financial Condition and Results of Operations'** beginning on pages 109 and 252 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Financial Statements.*

### OVERVIEW

Our company was originally incorporated as private limited Company under the Companies Act, 1956 as "Akshar Spintex Private Limited" vide certificate of incorporation dated June 19, 2013 issued by Registrar of Companies, Gujarat. Subsequently, our Company was converted into a Public Limited Company pursuant to special resolution passed by the members in Extraordinary General Meeting held on December 26, 2017 and the name of our Company was changed to "Akshar Spintex Limited", vide a fresh Certificate of Incorporation dated January 05, 2018, issued by Registrar of Companies, Ahmedabad, Gujarat. The company got listed on SME Platform of BSE Limited on May 11, 2018, bearing Scrip Code 541303 and Scrip Name AKSHAR. Subsequently, the Company migrated its securities to the Main Board of the BSE with Scrip Code 541303 on May 20, 2022 and also received listing and trading approval of the securities with the Main Board of NSE bearing Symbol AKSHAR w.e.f. May 23, 2022. The ISIN of the Company is INE256Z01025.

Incorporated in 2013, we are engaged in manufacturing of cotton yarn. We manufacture 100% cotton yarn which include combed, semi combed and carded yarn. Our registered office is situated at Revenue Survey No.102/2 Paiki, Plot No. – 2 Village: Haripar, Ranuja Road. Tal: Kalavad. Jamnagar – 361013, Gujarat, India. The manufacturing facility of our Company is situated at Kalavad of Jamnagar District in Gujarat state in 1,83,437 sq. ft. area which is in the vicinity of the rich cotton growing areas of Gujarat. The company has installed a capacity of total 24,480 spindle. Technology is a crucial aspect of the cotton yarn industry. The level of advancement determines the productivity of machines and labor, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn.

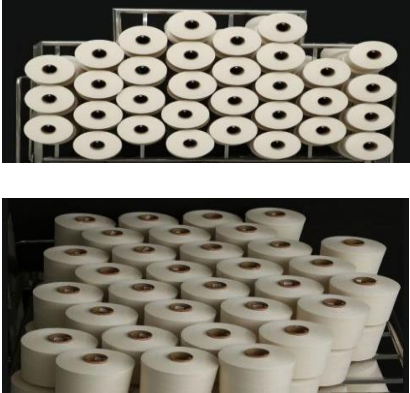
Our Company is promoted by Mr. AMIT VALLABHBHAI GADHIYA. Mr. HARIKRUSHNA SHAMJIBHAI CHAUHAN, Mrs. REKHABEN HARIKRUSHNABHAI CHAUHAN and with others. They have sound knowledge and experience in the industry in which we operate. Our Promoters have sound knowledge of manufacturing process, marketing, finance and all kind of other commercial activities related to the cotton textile industry including but not limited to manufacturing and marketing of raw cotton, Cotton bales, Cotton seeds, yarn and by-products.

We focus on producing quality product to increase customer satisfaction and develop a positive brand image in the industry. Our management and team has enable us to maintain continuing customer relations, ensuring repeat order flows. Promoters having experience in cotton industry has maintained close relations with its suppliers and tries to strengthen the same.

From FY 2021-22 to FY 2023-24, as per our Financial Statements, i) our total revenue has grown from Rs. 17557.22 lakhs to Rs. 17791.41 lakhs, representing a CAGR of 1.33 % ii) our EBITDA has decrease from Rs. 1639.01 lakhs to Rs. 1068.51 lakhs, for which CAGR cannot be computed iii) our profit after tax has decreased from a profit of Rs. 697.69 lakhs in the FY 2021-22 to a profit of Rs. 345.51 lakhs in the FY 2023-24 for which CAGR cannot be computed.

## BUSINESS OF THE COMPANY

We are engaged in manufacturing of yarn viz. Combed Yarn, Semi Combed Yarn and Carded Yarn.

Product		Use/ Application
100% cotton yarn		<p>Yarn is the end product of spinning. It is the primary component for any knitted fabric. 100% cotton yarn is used to make different types of fabrics. In some cases, the 100% cotton yarn is blended with some other yarn in different ratios to provide different effects like shining or to lend more elasticity to the yarn. It is the yarn count and the twisting mode of the yarn that actually determines the overall strength and look of the manufactured fabric.</p>

## OUR PRODUCT RANGE:

### FIBRES

- 100% Natural Cotton (Sankar -6)
- 100% Natural Cotton (MCU-5)
- 100% Natural Cotton (MECH-1)
- 100% BCI Certified Cotton
- 100% Organic Certified Cotton
- 100% Viscose
- 100% Modal
- 100% Excel

### YARN

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

## MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

“To carry on in India or elsewhere the business of manufacturing, ginning, pressing, washing, dyeing, spinning, weaving, Texturing, bleaching, finishing, printing, embroidering, blending, sorting, stretching, drying, buying, selling, trading, importing, exporting, transporting, storing, fabricating and to act as agent, broker, job worker, liasioner and distributor or otherwise dealing in all types of textile goods, fabrics, cloths, yarns to do all incidental acts and things necessary for the attainment of the foregoing object.”

## CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Year	Particulars
December 23, 2013	The authorised share capital of the Company of Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs. 10/- each was increased to Rs.11,50,00,000 consisting of 1,15,00,000 Equity Share of Rs. 10/- each.
September 23, 2014	The authorised share capital of the Company of Rs. 11,50,00,000 consisting of 1,15,00,000 Equity Shares of Rs. 10/- each was increased to Rs.24,00,00,000 consisting of 2,40,00,000 Equity Share of Rs. 10/- each.
December 04, 2017	The authorised share capital of the Company of Rs. 24,00,00,000 consisting of 2,40,00,000 Equity Shares of Rs. 10/- each was increased to Rs.25,00,00,000 consisting of 2,50,00,000 Equity Share of Rs. 10/- each.
December 26, 2017	Change in the name of the company pursuant to conversion of the company from Private Limited Company to Public Limited Company.
July 11,2023	The authorised share capital of the Company of Rs.25,00,00,000 consisting of 2,50,00,000 Equity Shares of Rs. 10/- each was sub-divided into Rs.25,00,00,000 consisting of 25,00,00,000 Equity Share of Re. 1/- each.
February 7,2024	The authorised share capital of the Company of Rs.25,00,00,000 consisting of 25,00,00,000 Equity Shares of Re. 1/- each was increased to Rs.82,00,00,000 consisting of 82,00,00,000 Equity Share of Re. 1/- each

## OUR COMPETITIVE STRENGTHS

### 1. Leveraging the experience of our promoter

The Promoters of the Company Mr. Harikrushna Shamjibhai Chauhan, Mr. Rekhaben Harikrushnabhai Chauhan, Mr. Amit Vallabhbbhai Gadhiya have been associated with cotton farming and trading in cotton and have sound knowledge and experience in the industry in which we operate. They are the guiding force behind the operational and financial decisions of our company. They are responsible for the entire business operations of the Company along with an experienced team of professionals who assist them independently.

Their Industry knowledge and understanding is also a key competitive advantage enabling us to expandour geographical and customer presence in existing as well as target markets, while exploring new growth avenues. With their vision and expertise, we have grown in a consistent and speedy manner from the time of our incorporation in 2013. We believe that their experience shall continue to contribute significantly to the growth of our operations.

### 2. Government incentives

We are located in the state of Gujarat and enjoy benefits of various incentives provided by state government which includes 2.5% tax benefit subsidy under Goods and Service Tax (GST) Thus, such government incentives give Company an operating leverage over the units located in other states.

### 3. Modern Processes and Technology

Our Company has invested significant resources in technological capabilities and has developed a scalable technology system. We use process and technology to continuously improve our business operations and customer service. Our business is supported by modern facilities and methods. We havemodern equipment in Blow Room, Carding, Draw Frame, Lap Former, Combing, Finished Draw Frame, Simplex, Ring Spinning and Winding.



#### **4. Locational Advantage**

The manufacturing facility of the Company is located at kalavad, district Jamnagar of Gujarat. The manufacturing facility is located at a distance of 250km from kandla port and is in a Shankar-6 cotton rich belt. All infrastructure facilities like availability of skilled labour, raw material, technology; Communication, transportation etc. are easily available due to extensive industrialization in the area. The manufacturing facility of our Company is located in the vicinity of cotton rich belt of Gujarat. The small staple cotton is also available in the month of February to April.

#### **5. Customer oriented approach**

Customer satisfaction is one of our key success factors. We cater to various domestic customers across product segments. We try to provide customer specific solutions and offer our products and services not in a standard but in a customized manner so as to best suit their requirements. Loyalty of our existing customers helps us to maintain a long term working relationship with them. Further our approach has also helped us in expanding our present customer base.

### **OUR BUSINESS STRATEGY**

Our vision is to meet the critical success factors of customers and provide superior service through clear, concise two-way communication. The goal is to build relationships through our flexibility to meet our customer's changing needs. Our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our core strengths and expanding the operations of our business. We intend to focus on our existing range of products with specific emphasis on the following factors as business and growth strategy:

#### **1. Brand image**

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

#### **2. Improving functional efficiency**

We understand curtailing cost without compromise on quality is an important factor to be considered. We intend to improve efficiencies to achieve cost reductions and which will give us a competitive edge over our peers. We believe that this can be achieved through detailed analysis of our processes and continuous process improvement along with keeping pace with technology development.

#### **3. Technology up-gradation**

We continue to develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control.

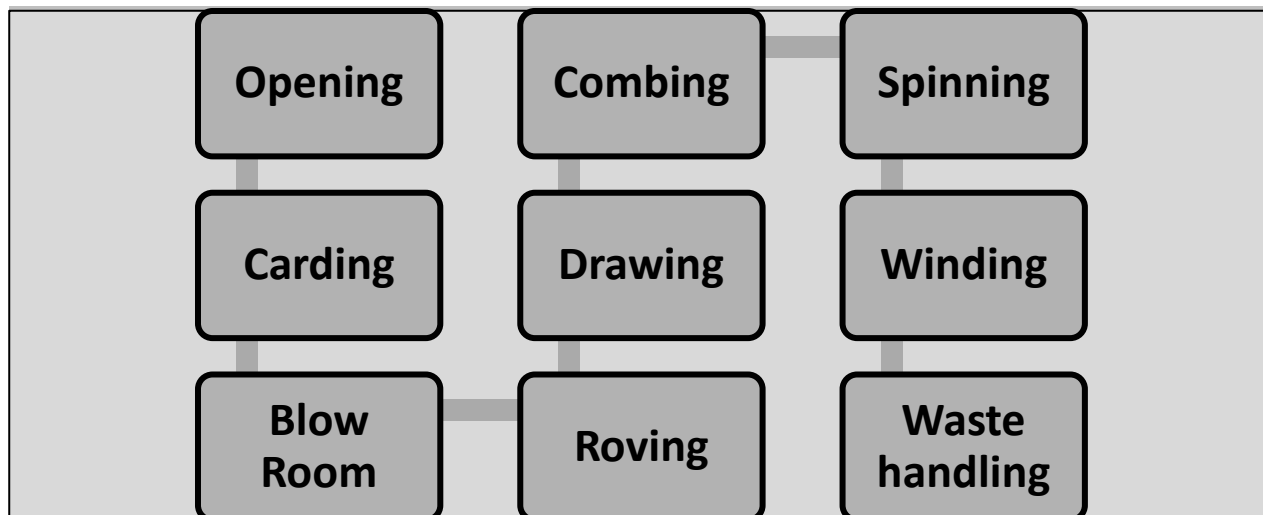
#### **4. Customer Satisfaction**

The Business of our Company is customer oriented and always strives to maintain good relationship with the customers. Our Company's marketing team approaches existing customers for their feedback and based on their feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complain.

## 5. Leveraging our market skills and relationship

Leveraging our market skills and relationships is a continuous process in our organization and the skillsthat we impart in our people give importance to customers. We aim to do this by leveraging our market skills and relationships and further enhancing customer satisfaction. We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Companygrowing.

### OUR MANUFACTURING PROCESS



#### 1. OPENING, BLENDING, MIXING AND CLEANING

Typically, mills select bale mixes with the properties needed to produce yarn for a specific end-use. The number of bales used by different mills in each mix ranges from 6 or 12 to over 50. Processing begins when the bales to be mixed are brought to the opening room, where bagging and ties are removed. Layers of cotton are removed from the bales by hand and placed in feeders equipped with conveyors studded with spiked teeth, or entire bales are placed on platforms which move them back and forth under or over a plucking mechanism. The aim is to begin the sequential production process by converting the compacted layers of baled cotton into small, light, fluffy tufts that will facilitate the removal of foreign matter. This initial process is referred to as “opening”.

Since bales arrive at the mill in various degrees of density, it is common for bale ties to be cut approximately 24 hours before the bales are to be processed, in order to allow them to “bloom”. This enhances opening and helps regulate the feeding rate. The cleaning machines in mills perform the functions of opening and first-level cleaning.

#### 2. CARDING AND COMBING

The card is the most important machine in the yarn manufacturing process. It performs second- and final-level cleaning functions in an overwhelming majority of cotton textile mills. The card is composed of a system of three wire-covered cylinders and a series of flat, wire-covered bars that successively work small clumps and tufts of fibers into a high degree of separation or openness, remove a very high percentage of trash and other foreign matter, collect the fibers into a rope-like form called a “sliver” and deliver this sliver in a container for use in the subsequent process.

Historically, cotton has been fed to the card in the form of a “picker lap”, which is formed on a “picker”, a combination of feed rolls and beaters with a mechanism made up of cylindrical screens on which opened tufts of cotton are collected and rolled into a batt. The batt is removed from the screens in an even, flat sheet and then is rolled into a lap. However, labour requirements and the availability of automated handling systems with the potential for improved quality are contributing to the obsolescence of the picker.





### 3. BLOWROOM

Cotton bales enter the first stage of yarn formation where they are mixed to form a uniform mass by Reiter's blow room technology, which gently handles the material with a combination of high-level cleaning and production rate. Cotton bales are spread and mixed according to the quality required.

### 4. COMBING, DRAWING & ROVING

The elimination of the picking process has been made possible by the installation of more efficient opening and cleaning equipment and chute-feed systems on the cards. The latter distribute opened and cleaned tufts of fibers to cards pneumatically through ducts. This action contributes to processing consistency and improved quality and reduces the number of workers required.

A small number of mills produce combed yarn, the cleanest and most uniform cotton yarn. Combing provides more extensive cleaning than is provided by the card. The purpose of combing is to remove short fibers, naps and trash so that the resulting sliver is very clean and lustrous. The comber is a complicated machine composed of grooved feed rolls and a cylinder that is partially covered with needles to comb out short fibers.

Drawing is the first process in yarn manufacturing that employs roller drafting. In drawing, practically all draft results from the action of rollers. Containers of sliver from the carding process are staked in the creel of the drawing frame. Drafting occurs when a sliver is fed into a system of paired rollers moving at different speeds. Drawing straightens the fibers in the sliver by drafting to make more of the fibers parallel to the axis of the sliver. Parallelization is necessary to obtain the properties desired when the fibers are subsequently twisted into yarn. Drawing also produces a sliver that is more uniform in weight per unit of length and helps to achieve greater blending capabilities. The fibers that are produced by the final drawing process, called finisher drawing, are nearly straight and parallel to the axis of the sliver. Weight per unit length of a finisher-drawing sliver is too high to permit drafting into yarn on conventional ring-spinning systems.

The roving process reduces the weight of the sliver to a suitable size for spinning into yarn and inserting twist, which maintains the integrity of the draft strands. Cans of slivers from finisher drawing or combing are placed in the creel, and individual slivers are fed through two sets of rollers, the second of which rotates faster, thus reducing the size of the sliver from about 2.5 cm in diameter to that of the diameter of a standard pencil. Twist is imparted to the fibers by passing the bundle of fibers through a roving "flyer". The product is now called "roving", which is packaged on a bobbin about 37.5 cm long with a diameter of about 14 cm.

### 5. SPINNING

Spinning is the single most costly step in converting cotton fibers to yarn. Currently, over 85% of the world's yarn is produced on ring-spinning frames, which are designed to draft the roving into the desired yarn size, or count, and to impart the desired amount of twist. The amount of twist is proportional to the strength of the yarn. The ratio of the length to the length fed can vary on the order of 10 to 50. Bobbins of roving are placed onto holders that allow the roving to feed freely into the drafting roller of the ring-spinning frame. Following the drafting zone, the yarn passes through a "traveller" onto spinning bobbin. The spindle holding this bobbin rotates at high speed, causing the yarn to balloon as twist is imparted. The lengths of yarn on the bobbins are too short for use in subsequent processes and are doffed into "spinning boxes" and delivered to the next process, which may be spooling or winding.

In the modern production of heavier or coarse yarns, open-end spinning is replacing ring spinning. A sliver of fibers is fed into a high-speed rotor. Here the centrifugal force converts the fibers into yarns. There is no need for the bobbin, and the yarn is taken up on the package required by the next step in the process.

Considerable research and development efforts are being devoted to radical new methods of yarn production. A number of new spinning systems currently under development may revolutionize yarn manufacturing and could cause changes in the relative importance of fiber properties as they are now perceived. In general, four of the different approaches used in the new systems appear



practical for use on cotton. Core-spun systems are currently in use to produce a variety of specialty yarns and sewing threads. Twist less yarns have been produced commercially on a limited basis by a system that bonds the fibers together with a polyvinyl alcohol or some other bonding agent. The twist less yarn system offers potentially high production rates and very uniform yarns. Knit and other apparel fabrics from twist less yarn have excellent appearance. In air-vortex spinning, currently under study by several machinery manufacturers, drawing sliver is presented to an opening roller, similar to rotor spinning. Air-vortex spinning is capable of very high production speeds, but prototype models are particularly sensitive to fiber length variations and foreign matter content such as trash particles.

## 6. WINDING AND SPOOLING

Once the yarn is spun, the manufacturers must prepare a correct package. The type of package depends on whether the yarn will be used for weaving or knitting. Winding, spooling, twisting and quilling are considered preparatory steps for weaving and knitting yarn. In general, the product of spooling will be used as *warp yarns* (the yarns that run lengthwise in woven fabric) and the product of winding will be used as *filling yarns*, or *weft yarns* (the yarns that run across the fabric). The products from open-end spinning by-pass these steps and are packaged for either the filling or warp. Twisting produces ply yarns, where two or more yarns are twisted together before further processing. In the quilling process yarn is wound onto small bobbins, small enough to fit inside the shuttle of a box loom. Sometimes the quilling process takes place at the loom.

## 7. WASTE HANDLING

In modern textile mills where control of dust is important, the handling of waste is given greater emphasis. In classical textile operations, waste was collected manually and delivered to a “waste house” if it could not be recycled into the system. Here it was accumulated until there was enough of one type to make a bale. In the present state of the art, central vacuum systems automatically return waste from opening, picking, carding, drawing and roving. The central vacuum system is used for cleaning of machinery, automatically collecting waste from under machinery such as fly and motes from carding, and for returning unusable floor sweeps and wastes from filter condensers. The classical baler is a vertical upstroke press which still forms a typical 170-kg bale. In modern waste house technology, wastes are accumulated from the central vacuum system in a receiving tank which feeds a horizontal bale press. The various waste products of the yarn manufacturing industry can be recycled or reused by other industries. For example, spinning can be used in the waste spinning industry to make mop yarns, garneting can be used in the cotton batting industry to make batting for mattresses or upholstered furniture.

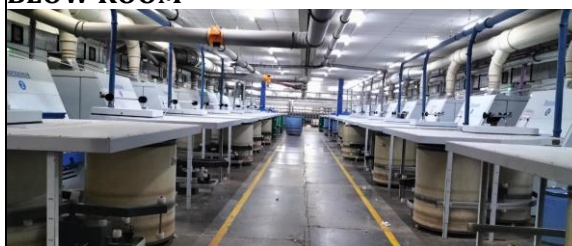
## OUR MANUFACTURING FACILITY

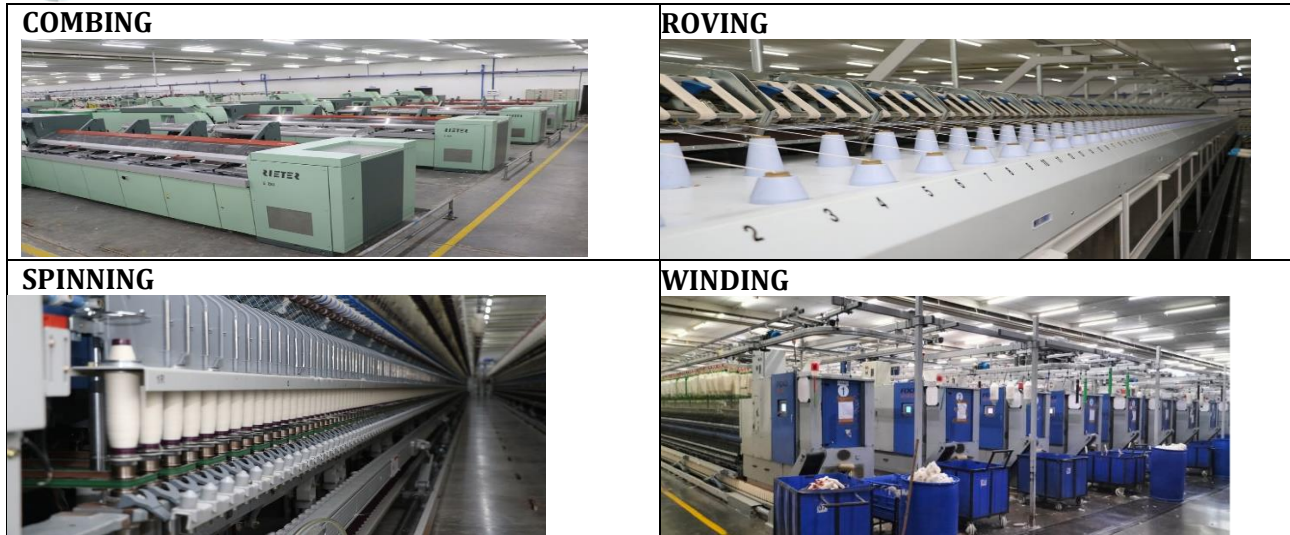
### Name of the Process

#### CARDING



#### BLOW ROOM





**OUR RAW MATERIALS**

The basic raw material required for the manufacture of 100% cotton yarn is ginned cotton. We procure only Shankar-6 quality of cotton which is predominantly grown in Gujarat. The vendors of raw cotton are identified based on the several parameters like the quality of raw material, price competitiveness and the time taken for delivery. The raw cotton required is mainly procured from the local supplies. The Packing material required by the company are mainly Paper tube, HDPE bag, HM bag, etc. for safety of the products during transportation. Packing materials are easily available in domestic market.

**END USERS**

Our end users are textile manufacturers and traders. We supply our products to large garment houses for manufacturing of cotton textiles.

**SWOT ANALYSIS:**

<p><b>Strength</b></p> <ul style="list-style-type: none"> <li>• Technological advantage</li> <li>• Experienced Management team</li> <li>• Strategic Location</li> <li>• India is one of the largest exporters of Yarn in international market and contributes around 25% share of the global trade in Cotton Yarn.</li> <li>• The Apparel Industry is one of largest foreign revenue contributor and holds 12% of the country's total export.</li> <li>• Industry has large and diversified segments that provide wide variety of products.</li> <li>• Growing Economy and Potential Domestic and International Market.</li> <li>• Industry has Manufacturing Flexibility that helps to increase the productivity</li> </ul>	<p><b>Threat</b></p> <ul style="list-style-type: none"> <li>• Changing technology</li> <li>• Raw material price fluctuation</li> <li>• Competition from other developing countries, especially China.</li> <li>• Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.</li> <li>• Elimination of Quota system will lead to fluctuations in Export Demand.</li> <li>• Threat for Traditional Market for Power loom and Handloom Products and forcing them for product diversification.</li> <li>• Geographical Disadvantages.</li> <li>• International labour and Environmental Laws.</li> <li>• To balance the demand and supply.</li> <li>• To make balance between price and quality</li> </ul>
<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Labour intensive industry</li> <li>• Timely Availability of Raw Material</li> <li>• Indian Textile Industry is highly Fragmented Industry.</li> <li>• Industry is highly dependent on Cotton.</li> </ul>	<p><b>Opportunity</b></p> <ul style="list-style-type: none"> <li>• Government incentives and subsidies</li> <li>• Expanding Export Markets</li> <li>• Enhancing functional Efficiency</li> <li>• Growth rate of Domestic Textile Industry is 6-8% per annum.</li> </ul>



<ul style="list-style-type: none"> <li>• Lower Productivity in various segments.</li> <li>• There is Declining in Mill Segment.</li> <li>• Lack of Technological Development that affect the productivity and other activities in whole value chain.</li> <li>• Infrastructural Bottlenecks and Efficiency such as, Transaction Time at Ports and transportation Time.</li> <li>• Unfavourable labour Laws.</li> <li>• Lack of Trade Membership, which restrict to tap other potential market.</li> <li>• Lacking to generate Economies of Scale.</li> <li>• Higher Indirect Taxes, Power and Interest Rates.</li> </ul>	<ul style="list-style-type: none"> <li>• Large, Potential Domestic and International Market.</li> <li>• Product development and Diversification to cater global needs.</li> <li>• Elimination of Quota Restriction leads to greater Market Development.</li> <li>• Market is gradually shifting towards Branded Readymade Garment.</li> <li>• Increased Disposable Income and Purchasing Power of Indian Customer opens Newmarket Development.</li> <li>• Emerging Retail Industry and Malls provide huge opportunities for the Apparel, Handicraft and other segments of the industry.</li> <li>• Greater Investment and FDI opportunities are available</li> </ul>
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### **COLLABORATIONS/TIE UPS/ JOINT VENTURE**

As on date of this Information Memorandum, our Company has not entered into any collaboration / Tie Ups / Joint Ventures.

### **COMPETITION**

Textiles being a large and global industry, we face competition from various domestic and international players. The Industry which we cater to is highly competitive, unorganized and fragmented with many small and medium-sized companies and entities and we compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Among listed companies, we face competition from Vippy Spinpro Limited and Sri Nachammai Cotton Mills Limited. Further, most of our competitors in the regional level are from the unorganized sector of the textile industry. Moreover, as we seek to diversify into new geographical areas we may face competition from existing players that have presence in respective markets. We intend to continue competing vigorously to capture more marketshare and manage our growth in an optimal way.

### **SALES & MARKETING**

The efficiency of the marketing and sales network is critical to the success of our business. Our success lies in the strength of our relationship with the customers who have been associated with our Company. Our team through their relevant experience and good rapport with our customers due to the timely delivery of quality products has played an instrumental role in creating and expanding a work platform for our Company. Our Company and the promoters focus on establishing cordial relationship with the customers due to this we have been able to established relationship with number of textile mills, number of business houses and brokers dealing 100% cotton yarn and consistently receive repeated orders from them. The sales and marketing of Yarn is based on factors such as quality, easy availability and competitive pricing of the products.

### **HUMAN RESOURCE**

We believe that our employees are key contributors to the success of our business. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for the kind of business that we are engaged in. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to implement our growth plans. As on March 31, 2024, we have 204 employees on our payroll.



## UTILITIES & INFRASTRUCTURE FACILITIES

<b>Infrastructure</b>	Our registered office, corporate office and manufacturing unit are well equipped with computer system, internet connectivity, other communication equipment, security and other facilities which are required for our business operations to function smoothly. Our manufacturing facilities are equipped with the requisite plant and machineries and other resources.
<b>Utilities</b>	<p><b>Power:</b> We meet our power requirements by purchasing the electricity from Paschim Gujarat Vij Company Limited and we have sanctioned limit of 2200 KVA. We also use DG sets.</p> <p><b>Water:</b> We require water for humidification as well as drinking &amp; sanitation purposes. We source our water requirements through bore well at factory premises.</p> <p><b>Safety Precautions:</b> Online fire detection system, water tank, fire extinguishers.</p>

## PLANT & MACHINERY

The following is the indicative list of machineries owned by our Company at the factory

Sr. No.	Process Area	Usage	Name of Vendor	Quantity
1	Blow Room Line	Blendomat	Truetzschler	1
		Blow Line	Truetzschler	2
2	Carding	Cards (TC 5/1) 6 Nos TC-10	Truetzschler (Truetzschler)	14 6
3	Draw Frame	Draw frame breaker (RSB -22)	Rieter	3
4	Lap Former	Omega Lap (E-35)	Rieter	1
5	Combing	Comber (E-80)	Rieter	5
6	Finished Draw Frame	RSBD Single Delivery (RSB D - 45)	Rieter	6
7	Simplex	Speed frame - 192 spindles (51 M)	Zinser	5
8	Ring Spinning	Ring frame- 24,480 spindles (RXI 240 E & RX 300)	Kirloskar Toyota Textile machinery	17
9	Winding	Drums -72 (QPRO - II)	Murata	6
		60 drums (Schlafhorst)	Schlafhorst	2

## INSURANCE DETAILS

Our Company has an insurance coverage which we consider reasonably sufficient to cover risks associated with our operations and which we believe is in accordance with the industry standards. We have taken standard fire and special perils, earthquake (fire and shock) for a most of our assets at our manufacturing facilities. Our policies are subject to customary exclusions and customary deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained. We have following insurance policies:


Policy No.	Risk Covered	Sum Assured	Name of the Insurer	Policy Period	
				From	To
12658639	Standard Fire and Special Perils	Rs. 9735.00/- Lakhs	IFFCO-TOKIO GENERAL INSURANCE CO. LTD	22/09/2023	21/09/2024



D126155301	Digit Employees Compensation Insurance Policy Coverage as per Employee's Compensation Act, 1923	Rs. 5,22.6.00/- Lakhs	GO DIGIT GENERAL INSURANCE LTD	29/11/2023	28/11/2024
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## INTELLECTUAL PROPERTY RIGHTS

Our Company markets its products under the following trademarks as set out below:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Status
1		Device	23	Akshar Spintex Limited	3771191	March 6, 2018	Accepted & Advertised & Registered Valid till 25/03/2028

## LAND AND PROPERTY

### Owned Properties:

Sr. No	Address of the Property	Area of the Property	Usage
1	Revenue Survey No.102/2 Paiki, Plot No. - 2, Village: Haripar, Ranuja Road, Tal: Kalavad, Jamnagar -361013, Gujarat, India	1,83,437 sq. ft.	Registered office and Manufacturing Facility

### Leased/ Licensed Properties

Sr. No	Address of the Property	Licensor / Lessor	Lease Rent /License Fees	Period of Agreement		Use
				From	To	
1.	C/704, Imperial Heights, Opp. Big Bazar, 150 Ft. Ring Road, Rajkot, 360005, Gujarat, India	Rekhaben Harikrushnabhai Chauhan & Sonal Prakashkumar Sorthia	Rs. 30,000 per month	-	-	Corporate Office  Note: Currently the company is in use of this premises based on the consent letter of the Owner of the premises and further a Lease Agreement is under process of

						renewal and expected to be done by First week of May, 2024.
2.	Survey no. 4, Village Vajdi, Taluka Vishavadar, District Junagadh, Gujarat (Area: 8094 square metres)	Mrs. Bhanuben Radhelal Kavani, Mrs. Vaishaliben Radhelal Kavani & Mr. Hardikbhai Radhelal Kavani	Rs. 86,000 per year	February 7, 2024	January 7, 2054	Installation of Solar Ground Mounted System
3.	Survey no. 20, Village Vajdi, Taluka Vishavadar, District Junagadh, Gujarat (Area: 73170 square metres)	Mrs. Bhanuben Radhelal Kavani, Mrs. Vaishaliben Radhelal Kavani & Mr. Hardikbhai Radhelal Kavani	Rs. 7,77,443 per year	February 7, 2024	January 7, 2054	Installation of Solar Ground Mounted System



## OUR MANAGEMENT

### BOARD OF DIRECTORS

As on date of this Letter of Offer, our Company currently has 6 (Six) directors on its Board. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN	Age	Other Directorships
<b>Mr. Amit Vallabhbbhai Gadhiya</b> <b>Designation:</b> Executive & Managing Director <b>DIN:</b> 06604671 <b>Date of Birth:</b> 28.07.1986 <b>Occupation:</b> Business <b>Address:</b> 2/10 Lal Krupa, Kevadavadi, Canal Road, Rajkot – 360 001, Gujarat <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> 19.06.2013 <b>Term:</b> for a period of 3 years	38	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Mrs. Ilaben Dineshbhai Paghdar</b> <b>Designation:</b> Executive Director <b>DIN:</b> 07591339 <b>Date of Birth:</b> 23.07.1976 <b>Occupation:</b> Business <b>Address:</b> Ambika Township Road, Flat No – 1204, Wing-A, Cozy Courtyard, Nana Mava, Rajkot – 360 005, Gujarat <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> 16.08.2016 <b>Term:</b> Not Applicable	48	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Mr. Harikrushna Shamjibhai Chauhan</b> <b>Designation:</b> Chairman & Whole Time Director <b>DIN:</b> 07710106 <b>Date of Birth:</b> 12.04.1967 <b>Occupation:</b> Business <b>Address:</b> Akshar Bhuvan, Parnakuti Society, Street no. 5, Block No. 65/A, Nana Mava Road, Rajkot-360001, Gujarat, India <b>Nationality:</b> India <b>Original Date of Appointment:</b> 17.01.2017 <b>Term:</b> for a period of 3 years	57	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Mr. Nirala Indubhai Joshi</b> <b>Designation:</b> Non-Executive & Independent Director <b>DIN:</b> 08055148 <b>Date of Birth:</b> 07.08.1957 <b>Occupation:</b> Business <b>Address:</b> Block No. 34, Vasundhra Residency, Opp. Govindbhai Solanki Vadi, Airport Road, Raiya Road, Rajkot -360007, Gujarat, India <b>Original Date of Appointment:</b> 17.01.2018 <b>Term:</b> period of five years	67	<ul style="list-style-type: none"> <li>• None</li> </ul>
<b>Mr. Rohit Bhanjibhai Dobariya</b> <b>Designation:</b> Non-Executive & Independent Director <b>DIN:</b> 08085331 <b>Date of Birth:</b> 04.12.1980 <b>Occupation:</b> Business	43	<ul style="list-style-type: none"> <li>• Eagle Life Science Private Limited</li> </ul>





Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN	Age	Other Directorships
<b>Address:</b> Vrundavan, Vaniyawadi 1/6 Corner, Vaniyawadi Main Road, Opp. G.Patel Pan, Rajkot – 360007, Gujarat, India <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> 14.03.2018 <b>Term:</b> period of five years		
<b>Mr. Parshotam L Vasoya</b> <b>Designation:</b> Non-executive & Independent Director <b>DIN:</b> 09229252 <b>Date of Birth:</b> 06.04.1980 <b>Occupation:</b> Business <b>Address:</b> Khodiyar Nagar-1, Veraval (Shapar) Tal: Kotda Sangani, Veraval – 360 024, Gujarat <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> 23.08.2021 <b>Term:</b> period of five years	44	<ul style="list-style-type: none"> <li>• None</li> </ul>

## BRIEF DETAILS OF OUR DIRECTORS

### Mr. Amit Vallabhbhai Gadhiya

Amit Gadhiya, aged 38 years is the Promoter and Managing Director of our Company. He has been associated with the Company since incorporation and has been designated as Managing Director w.e.f. January 08, 2021. He has completed his Secondary and Higher Secondary Education from the Gujarat State Board. He has 13 years' rich and varied experience in the cotton and spinning related business. He is looking overall Management & Administration and Increasing Organizational Effectiveness, setting the ultimate direction for the Company.

### Mrs. Ilaben Dineshbhai Paghdar

Ilaben Paghdar, aged 48 years is Executive Director of our Company. She has been appointed as Executive Director on August 16, 2016. She has experience of more than 3 years in cotton spinning industry. She is looking HR Department.

### Mr. Harikrushna Shamjibhai Chauhan

Harikrushna Chauhan, aged 57 years is the Promoter and Chairman cum Whole Time Director of our Company. He has been associated with Company since January 17, 2017 and has designated as Chairman cum Whole Time Director w.e.f. January 08, 2021. He has completed Draftsman Mechanical course in Cine Production of Technical Examination Board, Gujarat. He has more than 3 years in cotton spinning industry and 27 years in Information and Broadcasting Department of Govt. of Gujarat. He is looking Operational Planning and Business Development & marketing, setting the ultimate direction for the Company.

### Mr. Nirala Indubhai Joshi

Nirala Joshi, aged 67 years is an Independent Director of our Company. He has been on the Board of our Company since January 17, 2018. He holds a degree in Bachelor of commerce from Saurashtra University. He has completed his Secondary and Higher Secondary Education from the Gujarat State Board.

### Mr. Rohit Bhanjibhai Dobariya

Rohit Dobariya, aged 43 Years is an Independent Director of our Company. He has been appointed as Independent Director w.e.f. March 14, 2018. He holds a degree in Bachelor of Science from Saurashtra University.

### Mr. Parshotam L Vasoya

Parshotam L Vasoya, aged 44 years is an Independent Director of our Company. He has been appointed as Independent Director w.e.f. August 23, 2021. He holds a degree in Bachelor of commerce from Saurashtra University. He is a Partner of Vishwas Polymers since 2005. He has 16 years' rich and varied experience in the plastic industry. He is expert in financial management and having knowledge of



accounting and effective Management of Organization and providing the ultimate direction to the business.

### **Confirmations**

- 1) Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1) (p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 2) None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.
- 3) None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
- 4) None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
- 5) None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
- 6) Our Company has not entered into any service contracts with our Directors, which provide for benefits upon termination of their directorship.

### **RELATIONSHIP BETWEEN DIRECTORS**

None of the Directors are related to each other as per the provisions of the Companies Act, 2013.

### **PAST DIRECTORSHIPS IN SUSPENDED COMPANIES**

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer.

### **PAST DIRECTORSHIPS IN DELISTED COMPANIES**

None of our directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer.

### **SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL**

Set forth below are the details of our senior management and key managerial personnel: -

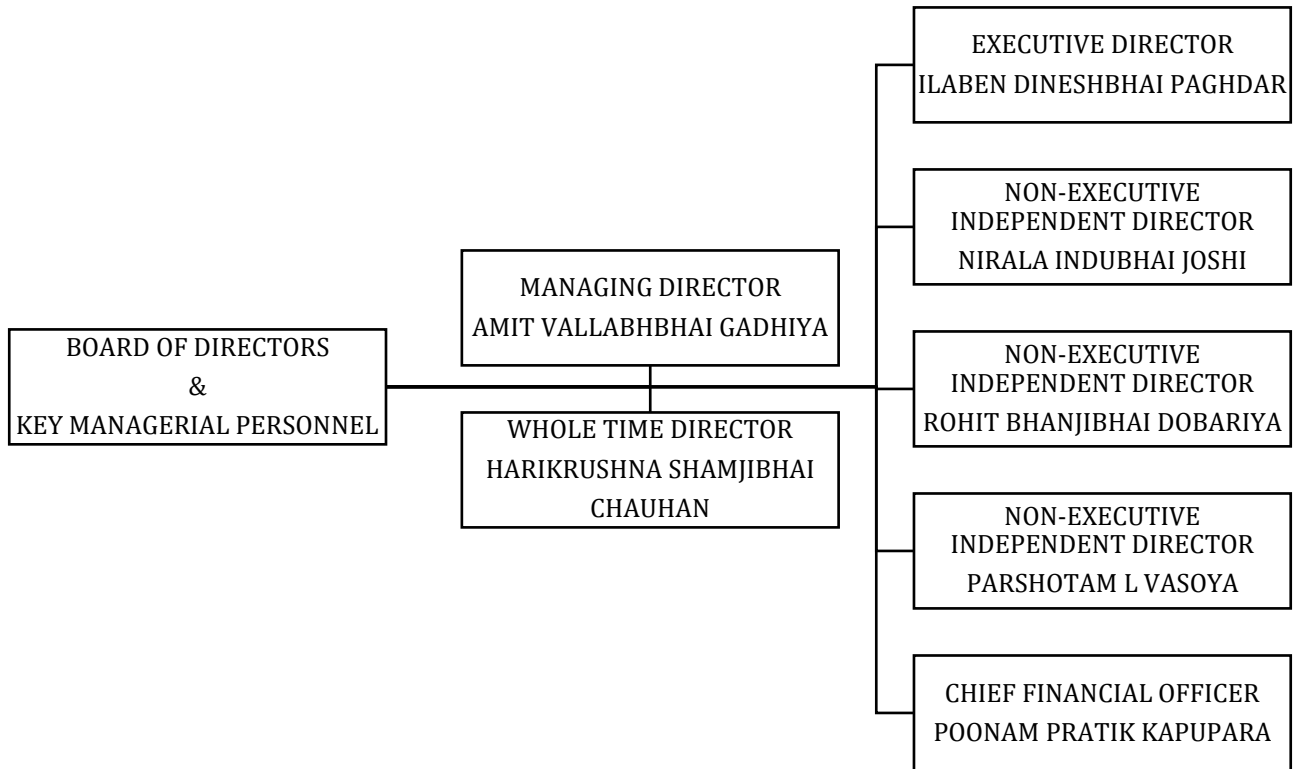
<b>Name</b>	<b>Designation</b>	<b>Associated with Company since</b>
Mr. Amit Vallabhbai Gadhiya	Managing Director	19.06.2013
Mr. Harikrushna Shamjibhai Chauhan	Whole-time Director	17.01.2017
Mrs. Poonam Pratik Kapupara	Chief Financial Officer	26.02.2024



**Note:**

Currently, the Company does not have Company Secretary and Compliance Officer. However, at the time of filing of Draft Letter of Offer dated April 30, 2024 Mrs. Bharti Girdharbhai Ajudiya was Company Secretary and Compliance Officer (resigned with effect from July 21, 2024).

**MANAGEMENT ORGANIZATIONAL STRUCTURE**



**CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI (Listing Regulations and Disclosure Requirements) 2015 will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth for Sustainable development of all the stakeholders. Corporate Governance practices constitute the strong Foundation on which successful organizations are built to last. The Company is committed to the adoption of best governance practices and their adherence in true spirit at all times. The Company always aims towards building trust and enhancing its stakeholders’ values on a sustainable basis. The Company strives to promote good governance practices through Transparency, Integrity, Responsibility and Passion for Excellence and Respect, towards all its stakeholders. Effective Corporate Governance practices have been the Company’s hallmark inherited from its culture and ethos.

**Composition:**

The composition of the Board of the Company is in conformity with Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’). The Board consists of experienced and eminent professionals with expertise in varied fields. The composition of the Board, consist of an optimum mix of Independent,



Non-Executive and Executive Director, the Managing Director under the superintendence of the Board including Chairman and support of the competent Management Team is responsible for overseeing the overall business performance, driving growth, implementation of the strategic decisions and ensuring overall success while adhering to the direction set by the Board.

As on financial year ended 31st March 2024, the total Board strength comprised of the following:

Category of Directors	No. of Directors	% of Total No. of Directors
Executive Director	03	50.00
Non-Executive & Independent Director	03	50.00
Total	06	100.00

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the Listing Regulations, the Listing Agreement and Companies Act, 2013 to the extent applicable.

## COMMITTEES OF OUR BOARD

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations and in compliance with the Corporate Government norms:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Internal Complaints Committee for Sexual Harassment Complaints Redressal

Details of each of these committees are as follows:

### 1. Audit Committee

Our Company has constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations, vide resolution passed in the meeting of the Board of Directors held on January 17, 2018.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013 and SEBI Listing Regulations. The committee presently comprises the following 4 (Four) directors.

Composition of Audit Committee:

Name	Position	Category of Director
Mr. Nirala Indubhai Joshi	Chairman	Independent Director
Mr. Parshotam L Vasoya	Member	Independent Director
Mr. Rohit Bhanjibhai Dobariya	Member	Independent Director
Mrs. Ilaben Dineshbhai Paghdar	Member	Executive Director

Set forth below are the role, scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015:

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
4. Approving initial or any subsequent modification of transactions of the Company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices along with reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
10. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Information Memorandum /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussing with the internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
19. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
20. Approving the appointment of the Chief Financial Officer (i.e., the whole-time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate;
21. To investigate any other matters referred to by the Board of Directors;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

The Audit Committee acts in accordance with the terms of reference specified by the Board of Directors of the Company. Further during the period under review, the Board of Directors of the Company has accepted all the recommendations of the Committee.



## 2. Nomination Remuneration Committee

The Nomination and Remuneration Committee of the Company is constituted in accordance with the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

Name	Position	Category of Director
Mr. Rohit Bhanjibhai Dobariya	Chairman	Independent Director
Mr. Nirala Indubhai Joshi	Member	Independent Director
Mr. Parshotam L Vasoya	Member	Independent Director

The Company has formed Nomination and Remuneration committee in line with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nomination and Remuneration Committee Meetings are generally held responsible for identifying the persons who are qualified to become Directors, their remuneration and appointment of personnel at senior level management and their removal.

The broad terms of reference of the Nomination and Remuneration Committee inter-alia includes the following:

- a. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- b. To recommend to the Board the appointment and removal of Director or KMP or Senior Management Personnel;
- c. To carry out evaluation of Director's performance;
- d. Assessing the independence of Independent Directors;
- e. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f. Making recommendations to the Board on the remuneration/fee payable to the Directors/KMPs/ Senior Officials so appointed/reappointed and remuneration, in whatever form, payable to senior management;
- g. Ensure that level and composition of remuneration of Directors, KMP's and Senior Management is reasonable and sufficient. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- h. To devise a policy on Board's diversity;
- i. To develop a succession plan for the Board and Senior Management and to regularly review the plan;
- j. Specify the manner of effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by Board, the Nomination and Remuneration Committee or by independent external agency and review its implementation and compliance;
- k. Such other key issues/ matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 and Rules thereunder.

## 3. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee is constituted in accordance with the provisions of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

Name	Position	Category of Director
Mr. Parshotam L Vasoya	Chairman	Independent Director

Mr. Harikrushna Shamjibhai Chauhan	Member	Whole time Director
Mr. Amit Vallabhbbhai Gadhiya	Member	Managing Director

Terms of Reference: Redressal of shareholders' and investors' complaints, including and in respect of:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of security holders'/investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Allotment and listing of shares;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- Any other power specifically assigned by the Board of Directors of the Company.

#### 4. Corporate Social Responsibility Committee

Our Board has constituted the Corporate Social Responsibility Committee vide Board Resolution dated June 12, 2018 and lastly re-constituted on August 23, 2021 pursuant to section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee comprises the following Directors:

Name	Position	Category of Director
Mr. Nirala Indubhai Joshi	Chairman	Independent Director
Mr. Amit Vallabhbbhai Gadhiya	Member	Managing Director
Mr. Harikrushna Shamjibhai Chauhan	Member	Whole time Director

As required under Section 135 of the Companies Act, 2013, the Board has constituted CSR Committee of Directors to inter alia formulate Corporate Social Responsibility (CSR) Policy, recommend the amount of expenditure to be incurred on the activities in line with the objectives given in CSR policy, monitor the CSR policy, etc. The terms of reference and other details are as follows: -

The Committee is empowered to: -

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy;
- Recommend the amount of expenditure to be incurred on the activities in line with the objectives given in CSR policy;
- Oversee the Company's activities and contribution with regard to its corporate and social obligations & its reputation as a responsible corporate citizen;
- Review the performance of the Company on environment, governance and sustainability initiatives & matters;
- Approve the policies on principles as required in terms of Business Responsibility & sustainability
- Reporting requirements and changes/modifications required from time to time in such policies; and
- To approve Company's report on Business Responsibility & Sustainability Reporting requirements.

#### 5. Risk management Committee

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, composition of Risk management Committee shall be applicable to top 1000 listed entities, determined on the basis



of market capitalization, as at the end of immediate previous financial year. The company does not come under the purview of the above regulation still for better compliance company has constituted committee.

<b>Name</b>	<b>Position</b>	<b>Category of Director</b>
Mr. Amit Vallabhbbhai Gadhiya	Chairman	Managing Director
Mr. Harikrushna Shamjibhai Chauhan	Member	Whole time Director
Mrs. Ilaben Dineshbhai Paghdar	Member	Executive Director

Risk Management Committee is empowered to –

- a. Formulate a detailed risk management policy which shall include:
  - Framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee,
  - Measures for risk mitigation including systems and processes for internal control of identified risks,
  - Business continuity plan.
- b. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- c. Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems.
- d. Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexities.
- e. Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.

## 6. Complaints Committee for Sexual Harassment Complaints Redressal

For the prevention, prohibition and redressal of sexual harassment and discrimination at workplace, we have formed the internal complains committee. The committee is chaired by the senior most woman member of the organization. We comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were zero cases of discrimination during the reporting period.

<b>Name</b>	<b>Position</b>	<b>Category of Director</b>
Mrs. Ilaben Dineshbhai Paghdar	Chairman	Executive Director
Mr. Amit Vallabhbbhai Gadhiya	Member	Managing Director
Mr. Harikrushna Shamjibhai Chauhan	Member	Whole time Director

## OUR KEY MANAGERIAL PERSONNEL

Below are the Details of our other Key Managerial Personnel as on date of filing of this Letter of Offer:

### Mr. Amit Vallabhbbhai Gadhiya

Amit Gadhiya, aged 38 years is the Promoter and Managing Director of our Company. He has been associated with the Company since incorporation and has been designated as Managing Director w.e.f. January 08, 2021. He has completed his Secondary and Higher Secondary Education from the Gujarat State Board. He has 13 years' rich and varied experience in the cotton and spinning related business. He





is looking overall Management & Administration and Increasing Organizational Effectiveness, setting the ultimate direction for the Company.

### **Mr. Harikrushna Shamjibhai Chauhan**

Harikrushna Chauhan, aged 57 years is the Promoter and Chairman cum Whole Time Director of our Company. He has been associated with Company since January 17, 2017 and has designated as Chairman cum Whole Time Director w.e.f. January 08, 2021. He has completed Draftsman Mechanical course in Cine Production of Technical Examination Board, Gujarat. He has more than 3 years in cotton spinning industry and 27 years in Information and Broadcasting Department of Govt. of Gujarat. He is looking Operational Planning and Business Development & marketing, setting the ultimate direction for the Company.

### **Mrs. Poonam Pratik Kapupara**

Mrs. Poonam Pratik Kapupara being the Chief Financial Officer of our Company w.e.f. 26.02.2024. She is a Commerce Graduate. She has deep knowledge of accounting and is able to handle the work related to finance and accounts.

### **Service Contracts with Key Managerial Personnel**

Our Key Managerial Personnel, other than our Executive Director, are governed by the terms of their appointment letters and have not executed any service contracts with our Company.

### **Retirement and termination benefit**

Except for applicable statutory benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

### **Status of employment of our Key Managerial Personnel**

All our Key Managerial Personnel are permanent employees of our Company.

### **Relationship among Key Managerial Personnel**

None of them are related to each other or related with the Key Managerial Personnel.



## OUR PROMOTER AND PROMOTERS GROUP

The Promoters of our Company are Mr. Harikrushna Shamjibhai Chauhan, Mr. Amit Vallabhbhai Gadhiya, Mrs. Rekhaben Harikrushnabhai Chauhan, Harikrishna Shamjibhai Chauhan (HUF), Mrs. Pooja Amit Gadhiya, Mrs. Narmadaben Shamjibhai Chauhan, Mrs. Kantaben Vallabhbhai Gadhiya, Mr. Nayan Vallabhbhai Gadhiya and Mrs. Priyanka Harikrushnabhai Chauhan.

### BRIEF PROFILE OF PROMOTERS:

#### Mr. Harikrushna Shamjibhai Chauhan

Harikrushna Chauhan, aged 57 years is the Promoter and Chairman cum Whole Time Director of our Company. He has been associated with Company since January 17, 2017 and has designated as Chairman cum Whole Time Director w.e.f. January 08, 2021. He has completed Draftsman Mechanical course in Cine Production of Technical Examination Board, Gujarat. He has more than 3 years in cotton spinning industry and 27 years in Information and Broadcasting Department of Govt. of Gujarat. He is looking Operational Planning and Business Development & marketing, setting the ultimate direction for the Company.

#### Mr. Amit Vallabhbhai Gadhiya

Amit Gadhiya, aged 38 years is the Promoter and Managing Director of our Company. He has been associated with the Company since incorporation and has been designated as Managing Director w.e.f. January 08, 2021. He has completed his Secondary and Higher Secondary Education from the Gujarat State Board. He has 13 years' rich and varied experience in the cotton and spinning related business. He is looking overall Management & Administration and Increasing Organizational Effectiveness, setting the ultimate direction for the Company.

#### Mrs. Rekhaben Harikrushnabhai Chauhan

Mrs. Rekhaben Harikrushnabhai Chauhan, aged 51 years is the promoter of our Company. She is associated with our Company since 2018. She is graduate in the field of Home Science. She is having long term investment in the company and possess sound knowledge about the company and its finances.

### As on date of letter of offer, directorship of Promoters and Promoters Group in other company:

Name of Promoters and Promoters Group	Name of Company	CIN	Designation
Mr. Harikrushna Shamjibhai Chauhan DIN:07710106	-	-	-
Mr. Amit Vallabhbhai Gadhiya DIN:06604671	-	-	-
Mrs. Rekhaben Harikrushnabhai Chauhan DIN:01055985	-	-	-
Harikrishna Shamjibhai Chauhan (HUF)	NA	NA	NA
Mrs. Pooja Amit Gadhiya PAN: AYXPG2386C	-	-	-
Mrs. Narmadaben Shamjibhai Chauhan PAN: AGKPC9633M	-	-	-
Mrs. Kantaben Vallabhbhai Gadhiya PAN: AXBPG7891H	-	-	-
Mr. Nayan Vallabhbhai Gadhiya PAN: ANRPG5752D	-	-	-
Mrs. Priyanka Harikrushnabhai Chauhan PAN: AADFW7046H	-	-	-

### \*As on June 30, 2024, Shareholding of Promoters and Promoters Group:



Name	No. of Shares	Percentage (%)
Mr. Harikrushna Shamjibhai Chauhan	58,86,838	1.96
Mr. Amit Vallabhbhai Gadhiya	55,69,812	1.86
Mrs. Rekhaben Harikrushnabhai Chauhan	2,28,85,130	7.63
Harikrishna Shamjibhai Chauhan (HUF)	5,02,400	0.17
Mrs. Pooja Amit Gadhiya	7,297	0.00
Mrs. Narmadaben Shamjibhai Chauhan	120	0.00
Mrs. Kantaben Vallabhbhai Gadhiya	Nil	Nil
Mr. Nayan Vallabhbhai Gadhiya	9,600	0.00
Mrs. Priyanka Harikrushnabhai Chauhan	1,896	0.00

**Note:** The promoters have sold their shares during the month of August, 2024. As on the date of LOF dated August 17, 2024 the Shareholding of Promoters and Promoters Group stands at 21,63,093 i.e. 0.72% of the total no. of shares of the Company and the same is as under:

Name	No. of Shares	Percentage (%)
Mr. Harikrushna Shamjibhai Chauhan	8,86,838	0.30
Mr. Amit Vallabhbhai Gadhiya	6,85,130	0.23
Mrs. Rekhaben Harikrushnabhai Chauhan	69,812	0.02
Harikrishna Shamjibhai Chauhan (HUF)	5,02,400	0.17
Mrs. Pooja Amit Gadhiya	7,297	0.00
Mrs. Narmadaben Shamjibhai Chauhan	120	0.00
Mrs. Kantaben Vallabhbhai Gadhiya	Nil	Nil
Mr. Nayan Vallabhbhai Gadhiya	9,600	0.00
Mrs. Priyanka Harikrushnabhai Chauhan	1,896	0.00



## DIVIDEND DISTRIBUTION POLICY

Akshar Spintex Limited's Dividend Distribution Policy (as and when dividend is declared) shall ensure that it returns cash from an operation that is in excess of its immediate and foreseeable needs back to the shareholders over the long term.

Interim dividend is considered for declaration by the Board of Directors based on the performance of the Company during the year and final dividend is based on the performance for the full year. The actual quantum of dividend pay-out on a yearly basis will be dependent on the existing and expected underlying financial performance, market conditions, cash flow position, interim dividend, if any, already declared during the year and future requirements of funds. As such any amount retained will be utilized for securing the long term growth objectives of the business. With this in mind, the Company shall strive to declare a steady stream of dividends to the shareholders that is in their best long term interest.

The declaration and distribution of dividends, whether interim or final, will, at all times, be in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, such other applicable provisions of law and the Articles of Association of the Company as amended.

This Policy is issued with the consent of the Board of Directors of the Company and can be amended only with the authority of the Board of Directors.

Our Company has not declared dividends on the Equity Shares for the last 3 Financial Years ending 2024, 2023 and 2022 except for Our company has declared an interim dividend @ 1% i.e., 1.00 /- paisa per Equity Share of face value of Re. 1.00/- each on December 22, 2023 for the FY 2023-24. The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see '**Risk Factor- Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures**' on page 26 of this Letter of Offer.



## SECTION VII – FINANCIAL INFORMATION

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### FINANCIAL STATEMENTS

<b>Particulars</b>	<b>Page</b>
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Statement of Accounting Ratios	247
Statement of Capitalization	249

**Independent Auditor's Report**

To the Members of Akshar Spintex Limited

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Akshar Spintex Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to communicate in our report.





**Emphasis of Matter**

We draw your attention to Note 38.2 to the financial statements where the Company's management has stated that outstanding balances, if any, at the year end in respect of trade receivables, trade payables etc. are subject to confirmation from those respective parties and consequential reconciliation or adjustments arising there from. These have not been independently verified by us during the year under review. Any adjustment to the value of such balances as appearing in the balance sheet of the Company may have an effect on the profit and net assets of the Company for the period and year ended March 31, 2024.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



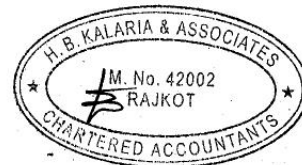


2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 31 to the financial statements;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- d.
1. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  2. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material misstatement.
- e. The dividend declared and paid during the year by the company are in compliance with Section 123 of the Act.
- f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.





**Audit trail maintained throughout the year:** Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Place: Rajkot

Date: 20/05/2024

For,

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



Hasmukh Kalaria  
Partner

Mem. No. 042002  
UDIN:24042002BKBLWC1701



**Annexure A**

**Referred to in the section Report on Other Legal and Regulatory Requirements on of the Independent Auditors' Report of even date to the members of Akshar Spintex Limited on the financial statements as of and for the year ended March 31, 2024**

- (i)
- (a) In respect of its property, plant, and equipment:
    - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
    - (B) The Company does not have any intangible assets and hence, is not required to maintain records for the same.
  - (b) The Company has a programme of verification of property, plant and equipment to cover all the items in a phased manner over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment and investment property were physically verified by the Management during the current reporting period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued its property, plant and equipment and intangible assets during the reporting period and hence, clause (i)(d) of the Order is not applicable.
  - (e) As explained to us by the management of the Company, there have not been any proceedings initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder during the current reporting period or as at the balance sheet date.
- (ii)
- (a) We have not been provided with the records of inventory verification done by the management of the company during the reporting period. Hence, we are unable to comment on whether there were any material discrepancies noticed by the management and whether the same have been dealt with in the books of accounts of the Company during the reporting period.



- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; the quarterly statements filed by the Company with the banks during the reporting period are not in agreement with the books of accounts of the Company. The details regarding such reconciliation is as disclosed in note 32.4 of the financial statements.
- (iii) According to the information and explanations given to us, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence clause (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans, investments or provided any guarantees and hence, the provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the current reporting period in terms of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In our opinion and according to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities apart from a few delays in the payment of professional tax.

There were undisputed amounts payable in arrears as at the balance sheet date for a period of more than six months from the date they became payable. The details of which are as follows:

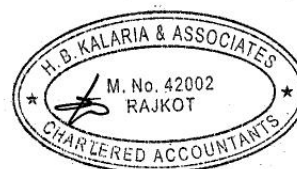


Name of statute	Nature of dues	Amount unpaid (in Rs. lacs)	Period to which the amount relates	Due date of payment	Actual date of payment
Gujarat Professional Tax Act	Professional Tax	4.97	F.Y. 2020-21	Monthly	Not paid till date of report
Gujarat Professional Tax Act	Professional Tax	5.09	F.Y. 2021-22	Monthly	Not paid till date of report
Gujarat Professional Tax Act	Professional Tax	3.43	F.Y. 2022-23	Monthly	Not paid till date of report
Gujarat Professional Tax Act	Professional Tax	1.24	F.Y. 2023-24	Monthly	Not paid till date of report

- (b) Details of statutory dues which have not been deposited as at the balance sheet date on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute pending	Period to which the amount relates	Gross amount due (in Rs. lacs)	Amount unpaid (in Rs. lacs)
The Income Tax Act, 1961	Income Tax	The Commissioner of Income tax (Appeals)	A.Y.2018-19	119.16	119.16

- (viii) According to the information and explanations given to us, the Company does not have any transactions, which were not recorded in the books of accounts and which have been surrendered or disclosed as income during the current reporting period in the tax assessments under the Income-tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks. The Company has not taken any loans or borrowings from the government.

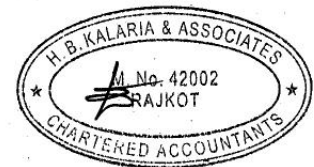


- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared as a willful defaulter by any bank or financial institution or other lender during the reporting period.
- (c) The Company has obtained term loans during the current reporting period which, in our opinion and according to the information and explanations given to us, have been utilized for their stated purpose(s).
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we believe that no funds raised on short-term basis have been used for long-term purposes by the Company. We have however not made a detailed examination of the same.
- (e) The Company does not have any associate, subsidiary or joint venture and hence, clause (ix)(e) of the Order is not applicable.
- (f) The Company does not have any associate, subsidiary or joint venture and hence, clause (ix)(f) of the Order is not applicable.
- (x) (a) During the current reporting period, the Company has not raised funds by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause (x)(a) of the Order is not applicable to the Company.
- (b) During the current reporting period, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the current reporting period.
- (b) To the best of our knowledge and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) To the best of our knowledge and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the current reporting period.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.





- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under review during our audit of the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the current reporting period the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, if any or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi)
- (a) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the current reporting period and hence, is not required to obtain a Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.
- (d) The Company does not have any Group companies and hence, clause (xvi)(d) of the Order is not applicable to the Company.
- (xvii) In our opinion, the Company has not incurred any cash losses during the current reporting period and in the immediately preceding reporting period.
- (xviii) There has not been any resignation of the statutory auditors during the current reporting period under review.
- (xix) In our opinion, subject to our comments and observations in the auditor's report, if any, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are unable to arrive at a conclusion regarding the Company's capability of meeting its liability existing at the balance sheet as and when they fall due within a period of one year from the balance sheet date.



- (xx) (a) According to the information and explanations given to us, the Company has not transferred unspent amount, in respect of other than ongoing project(s), to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with the second proviso to sub-section (5) of section 135 of the Act.
- (b) According to the information and explanations given to us, the Company does not have any ongoing project(s) for which funds remain unspent under sub-section (5) of section 135 of the Companies Act and hence, is not required to transfer any funds to a special account in compliance with the provision of sub-section (6) of section 135 of the Companies Act, 2013.
- (xxi) Clause (xxi) of the Order is not applicable in the report on the standalone financial statements of the Company.

Place: Rajkot

Date: 20/05/2024

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

Chartered Accountants



Hasmukh Kalaria  
Partner

Mem. No. 042002

UDIN:24042002BKBLWC1701



**Annexure B**

**Referred to in point f. of the section Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Akshar Spintex Limited on the financial statements for the year ended March 31, 2024**

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

In conjunction with our audit of the financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over the financial reporting of Akshar Spintex Limited ("the Company") as of that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect of financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion** According to the information and explanations given to us and based on our audit, the following material weakness(es) have been identified as at March 31, 2024:

- a. The Company did not have an appropriate internal control system for customer acceptance, credit evaluation and establishing customer credit limits for sales, which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.





- b. The Company did not have an appropriate internal control system for inventory with regard to receipts, issue for production and physical verification. Further, the internal control system for identification and allocation of overheads to inventory was also not adequate. These could potentially result in material misstatements in the Company's trade payables, consumption, inventory and expense account balances.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Place: Rajkot

Date: 20/05/2024

For,

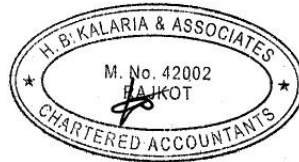
**HB Kalaria and Associates**  
Firm Reg. No. 104571W

Chartered Accountants



Hasmmukh Kalaria  
Partner

Mem. No. 042002  
UDIN:24042002BKBLWC1701





**Akshar Spintex Limited**  
**Balance Sheet as at 31st March, 2024**

(Rs. In lakhs)

Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
<b>I. ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Plant, Property and Equipments	3	3944.22	3,916.44
(b) Capital Work-In-Progress		-	0.13
(c) Financial Assets			
(i) Non-Current Investments			-
(ii) Other Non-Current Financial Assets	4	223.55	105.08
(d) Deferred Tax Assets (Net)	13		26.98
(e) Other Non-Current Assets		-	-
<b>Total Non-Current Assets</b>		<b>4,167.76</b>	<b>4,048.63</b>
<b>Current Assets</b>			
(a) Inventories	5	2,410.23	1,737.68
(b) Financial Assets			
(i) Trade Receivable	6	502.80	1,213.04
(ii) Cash and Cash Equivalents	7	0.53	1.74
(iii) Bank Balances Other Than (ii) Above	8	0.45	-
(iv) Loans		-	-
(v) Other Financial Assets		-	-
(c) Other Current Assets	9	304.03	642.97
<b>Total Current Assets</b>		<b>3,218.05</b>	<b>3,595.43</b>
<b>TOTAL ASSETS</b>		<b>7,385.81</b>	<b>7,644.06</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	10	2,999.88	2,499.90
b) Other Equity	11	1,388.46	1,564.25
<b>Total Equity</b>		<b>4,388.34</b>	<b>4,064.15</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	12	898.77	831.20
(ii) Other Financial liabilities		-	-
b) Deferred Tax Liabilities (Net)	13	45.91	-
c) Long Term Provisions	14	14.11	10.64
<b>Total Non Current Liabilities</b>		<b>958.79</b>	<b>841.85</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	15	999.22	936.23
(ii) Trade Payables	16	834.43	1,479.07
(iii) Other Financial Liabilities	17	61.52	130.82
b) Other Current Liabilities	18	21.98	136.37
c) Short Term Provisions	19	52.41	55.58
d) Current Tax Liabilities (Net)	20	69.13	-
<b>Total Current Liabilities</b>		<b>2,038.69</b>	<b>2,738.07</b>
<b>Total Liabilities</b>		<b>2,997.48</b>	<b>3,579.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,385.81</b>	<b>7,644.06</b>

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W

  
Hasmukh B Kalaria  
Partner  
Membership No.: 042002


Rajkot, May 20, 2024

For and on behalf of the Board of Directors,

  
Amit V. Gadhiya  
Managing Director  
DIN: 06604671

  
Bharti Ajudiya  
CS  
PAN: ARGPA8582L

Haripar, May 20, 2024

  
Harikrishna Chauhan  
Whole Time Director  
DIN:07710106

  
Poonam Kapupara  
CFO  
PAN: LERPK8014D





**Akshar Spintex Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2024**

(Rs. In lakhs)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Revenue from Operations	21	17,495.51	13,553.25
II. Other Income	22	295.90	238.91
<b>III. Total Income (I + II)</b>		<b>17,791.41</b>	<b>13,792.16</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	23	11,268.46	11,806.26
Purchases of Stock-in-Trade	24	3,724.30	348.72
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(252.37)	(125.58)
Employee Benefits Expense	26	480.63	504.63
Finance Costs	27	133.34	171.73
Depreciation and Amortization Expense	3	433.57	426.97
Other Expenses	28	1,501.88	1,078.42
<b>Total Expenses</b>		<b>17,289.81</b>	<b>14,211.16</b>
<b>V. Profit before exceptional items and tax (III-IV)</b>		<b>501.60</b>	<b>(419.00)</b>
VI. Exceptional income/(expenses)-Net		-	-
<b>VII. Profit before tax (V + VI)</b>		<b>501.60</b>	<b>(419.00)</b>
<b>VIII. Tax expense:</b>	29		
(1) Current tax		84.28	-
(2) MAT credit availed / (entitlement)		(7.79)	-
(3) Prior period tax		12.46	(31.64)
(4) Deferred tax liability/(assets)		67.14	(110.92)
<b>IX. Profit for the year from continuing operations (VII-VIII)</b>		<b>345.51</b>	<b>(276.43)</b>
<b>X. Other Comprehensive Income/(Expense) (OCI) net of tax expense</b>			
(1) Items that will not be reclassified to Profit and Loss Account		4.96	23.28
Less: Income Tax impact on above		1.29	6.05
Account			-
Less: Income Tax impact on above			
<b>XI. Total Other Comprehensive Income/(Expenses) (OCI) net of tax expense</b>		<b>3.67</b>	<b>17.22</b>
<b>XII. Total Comprehensive Income (IX + XI)</b>		<b>349.19</b>	<b>(259.21)</b>
<b>XIII. Earnings per equity share of Rs. 1 each</b>	30		
(1) Basic		<b>0.12</b>	<b>(0.09)</b>
(2) Diluted		<b>0.12</b>	<b>(0.09)</b>

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W

Hasmukh B Kalaria  
Partner  
Membership No.: 042002



Rajkot, May 20, 2024

For and on behalf of the Board of Directors,

Amit V. Gadhiya  
Managing Director  
DIN: 06604671

Hari Krishna Chauhan  
Whole Time Director  
DIN: 07710106

Bharti Ajudiya  
CS  
PAN: ARGPA8582L

Poonam Kapupara  
CFO  
PAN: LERPK8014D

Haripar, May 20, 2024



**Akshar Spintex Limited**  
**Statement of Change in Equity for the year ended 31st March, 2024**

(Rs. In lakhs)

A Equity Share Capital		Amount		
Balance as at 1st April 2022		2,499.90		
Change in Equity Share Capital during the year		-		
Balance as at 31st March 2023		2,499.90		
Change in Equity Share Capital during the year		499.98		
Balance as at 31st March 2024		2,999.88		
B Other Equity		Reserves and Surplus		
Particulars	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance as at 1st April 2022	299.70	1,502.27	21.49	1,823.46
Profit for the year	-	(276.43)	-	(276.43)
Other Comprehensive Income	-	-	17.22	17.22
Total Comprehensive Income for the year	299.70	1,225.84	38.71	1,564.25
Balance as at 31st March 2023	299.70	1,225.84	38.71	1,564.25
Particulars	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance as at 1st April 2023	299.70	1,225.84	38.71	1,564.25
Profit for the year	-	345.51	-	345.51
Other Comprehensive Income	-	-	3.67	3.67
Total Comprehensive Income for the year	299.70	1,571.35	42.39	1,913.43
Bonus Shares Issued	-	(499.98)	-	(499.98)
Dividend Paid	-	(24.999)	-	(25.00)
Balance as at 31st March 2024	299.70	1,046.37	42.39	1,388.46


The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

For and on behalf of the Board of Directors,

For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W

  
Amit V. Gadhiya  
Managing Director  
06604671

  
Harikrishna Chauhan  
Whole Time Director  
07710106

  
Hasmukh B Kalaria  
Partner  
Membership No.: 042002

  
Bharti Ajudiya  
CS  
PAN: ARGPA8582L

  
Poonam Kapupara  
CFO  
PAN: LERPK8014D

Rajkot, May 20, 2024



Haripar, May 20, 2024





**Akshar Spintex Limited**  
**Cash Flow Statement for the year ended 31st March, 2024**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash Flow from Operating Activity</b>		
Net Profit Before Tax	501.60	(419.00)
Adjustments For:		
Depreciation	433.57	426.97
Interest & Financial Expenses	133.34	171.73
Bad Debts written off	15.66	0.25
Interest Received on Deposits	(10.95)	(5.46)
<b>Operating profit before Working Capital Changes</b>	<b>1,073.23</b>	<b>174.48</b>
Adjustment For:		
Inventories	(672.56)	1,580.55
Trade Receivables	694.58	(1,109.78)
Other Non-Current Financial Assets	(118.47)	(21.72)
Financial Assets- Loans	-	0.25
Short-term loans and advances	338.94	813.44
Trade Payables	(644.64)	121.27
Short-term Provisions	(3.17)	6.26
Long-term Provisions	8.43	9.37
Other Current Liabilities	(114.76)	(530.99)
Other Current Financial Liabilities	(69.10)	4.61
Taxes Paid	(15.35)	(64.11)
<b>Net Cash Generated from Operations</b>	<b>477.13</b>	<b>983.63</b>
<b>B. Cash Flow from Investment Activities</b>		
Changes in Creditors for Fixed Assets	(0.20)	(1.08)
Purchase of Property, Plant and Equipments	(461.22)	(22.37)
Interest Received	10.95	5.46
<b>Net Cash Flow from Investment Activities</b>	<b>(450.47)</b>	<b>(17.98)</b>
<b>C. Cash Flow from Financial Activities:</b>		
Changes in Long Term Borrowings (Net)	67.57	(327.64)
Changes in Short Term Borrowings (Net)	62.99	(469.54)
Dividend Paid	(24.63)	-
Interest & Financial Expenses	(133.34)	(171.73)
<b>Net Cash Flow from Financial Activities</b>	<b>(27.41)</b>	<b>(968.91)</b>
<b>Total of Cash Flow (A+B+C)</b>	<b>(0.75)</b>	<b>(3.26)</b>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>1.74</b>	<b>5.00</b>
<b>Cash &amp; Cash Equivalent at the ending of the year</b>	<b>0.98</b>	<b>1.74</b>
<b>Cash &amp; Cash Equivalent comprising of</b>		
Cash on Hand	0.53	1.54
Balances with Scheduled Banks	0.45	0.20
	<b>0.98</b>	<b>1.74</b>

Note: 1. The above statement shall be read in conjunction with accompanying notes

2. Previous year's figures have been regrouped wherever necessary to confirm this year's classification.

**As per our Report of even date**  
**For H B Kalaria & Associates**  
**Chartered Accountants**  
**FRN : 104571W**

**Hasmukh B Kalaria**  
**Partner**  
**Membership No.: 042002**

Rajkot, May 20, 2024



**For and on behalf of the Board of Directors,**

*Amit V. Gadhiya*  
Amit V. Gadhiya  
Managing Director  
DIN: 06604671

*Bharti Ajudiya*  
Bharti Ajudiya  
CS  
PAN: ARGPA8582L

Haripar, May 20, 2024

*Harikrishna Chauha*  
Harikrishna Chauha  
Whole Time Director  
DIN:07710106

*Poonam Kapupara P.P*  
Poonam Kapupara  
CFO  
PAN: LERPK8014D

**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Background**

Akshar Spintex Limited ('the Company') incorporated in India is a manufacturing and trading of spun cotton yarn.

**2. Significant Accounting Policies followed by the Company**

**A. Basis of preparation**

**(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

**(ii) Historical cost convention**

The Ind AS financial statements have been prepared on an accrual basis under historical cost convention basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**(iv) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**B. Use of estimates and judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**C. Segment reporting:**

Geographical segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**D. Foreign currency translation**

**(i) Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the Company operates) and items included in the financial statements of the Company are measured using that functional currency.



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024**

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**(ii) Transactions and balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Company's functional currency of the entity at the rates prevailing on the reporting date. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

**E. Revenue recognition**

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, loyalty discount; indirect taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

**Sale of goods**

Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped onboard based on bills of lading.

**Other operating revenue**

Interest on investments and deposits is booked on a time-proportion basis taking into account the amounts invested and the rate of interest.

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

**F. Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024**

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Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively

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

**G. Impairment of non-financial assets**

Property, plant and equipments (PPE) and Intangible assets (IA) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**H. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**I. Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment, if any.

**J. Inventories**

Inventories of raw materials, work-in-progress, stores and spares, finished goods and stock-in-trade are stated at cost or net realisable value, whichever is lower. Goods-in-transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. A cost formula used is 'First-in-First-out'.



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024**

Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**K. Investments and other financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

**Equity instruments:**

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

**(iii) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(iv) Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method.

**Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024**

payment is established.

**L. Property, plant and equipment**

Property, plant and equipment are measured at cost/deemed cost, less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipments is provided on Straight-line basis, over the estimated useful lives of assets. The Company depreciates its Property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**M. Investment properties**

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

**N. Intangible assets**

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

**Computer software**



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024**

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Computer software is stated at cost, less accumulated amortisation and impairments, if any.

**Amortisation method and useful life**

The Company amortizes computer software using the straight-line method over the period of 3 years.

**O. Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income.

**P. Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.. Other interest and borrowing costs are charged to Statement of Profit and Loss.

**Q. Provisions and contingent liabilities**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024**

Contingent liabilities and capital commitments disclosed are in respect of items which in each case are above the threshold limit.

**R. Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.





**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024**

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**Defined Contribution Plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**S. Earnings Per Share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**(ii) Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



**Akshar Spintex Limited**  
Notes to the Financial Statements for the year ended March 31, 2024

**Note: 3 Property, Plant & Equipments**

Fixed Assets	Gross Carrying Amount				Accumulated Depreciation/Amortisation			Net Carrying Amount		
	As at 1st April, 2023	Additions	Adjustment/ Deduction	As at 31st March, 2024	As at 1st April, 2023	For the year	Adjustment/ Deduction	As at 31st March, 2024	As at 31st March, 2023	
	(Rs. In lakhs)									
<b>Tangible Assets</b>										
Land	63.60	-	-	63.60	-	-	-	-	63.60	63.60
Buildings	1,104.17	10.39	-	1,114.57	276.45	35.31	-	311.76	802.81	827.73
Plant and Equipment	5,775.53	0.82	-	5,776.35	2,836.73	366.81	-	3,203.53	2,572.82	2,938.81
Furniture and Fixtures	26.97	-	-	26.97	16.58	2.57	-	19.15	7.82	10.39
Vehicles	45.77	-	-	45.77	9.44	5.42	-	14.87	30.90	36.33
Computer	17.65	0.18	-	17.83	15.52	1.56	-	17.08	0.75	2.14
Solar Rooftop Power Plant	-	448.20	-	448.20	-	5.37	-	5.37	442.84	-
Office Equipments	164.83	1.76	-	166.59	127.38	16.53	-	143.91	22.67	37.45
<b>Total :</b>	<b>7,198.53</b>	<b>461.35</b>	<b>-</b>	<b>7,659.88</b>	<b>3,282.09</b>	<b>433.57</b>	<b>-</b>	<b>3,715.66</b>	<b>3,944.22</b>	<b>3,916.44</b>

**Note: 3 Property, Plant & Equipments**

Fixed Assets	Gross Carrying Amount				Accumulated Depreciation/Amortisation			Net Carrying Amount		
	As at 1st April, 2022	Additions	Adjustment/ Deduction	As at 31st March, 2023	As at 1st April, 2022	For the year	Adjustment/ Deduction	As at 31st March, 2023	As at 31st March, 2022	
	(Rs. In lakhs)									
<b>Tangible Assets</b>										
Land	63.60	-	-	63.60	-	-	-	-	63.60	63.60
Buildings	1,103.20	0.98	-	1,104.17	241.50	34.95	-	276.45	827.73	861.70
Plant and Equipment	5,774.98	0.55	-	5,775.53	2,470.94	365.78	-	2,836.73	2,938.81	3,304.04
Furniture and Fixtures	26.97	-	-	26.97	14.02	2.56	-	16.58	10.39	12.96
Vehicles	26.34	19.43	-	45.77	4.10	5.34	-	9.44	36.33	22.23
Computer	17.05	0.61	-	17.65	14.00	1.51	-	15.52	2.14	3.05
Office Equipments	164.17	0.66	-	164.83	110.57	16.82	-	127.38	37.45	53.60
<b>Total :</b>	<b>7,176.30</b>	<b>22.24</b>	<b>-</b>	<b>7,198.53</b>	<b>2,855.13</b>	<b>426.97</b>	<b>-</b>	<b>3,282.09</b>	<b>3,916.44</b>	<b>4,321.17</b>





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 4 Other Non-Current Financial Assets**

(Rs. In lakhs)

Particulars	As at 31st March,2024	As at 31st March, 2023
(Unsecured, considered good)		
Security Deposits	9.89	0.75
Bank Fixed Deposit (having maturity period more than 12 months)*	213.66	104.33
<b>Total</b>	<b>223.55</b>	<b>105.08</b>

Note: Fixed deposit is encumbered against loan and the amount of encumbrance is Rs.213.66 lakhs.

**Note: 5 Inventories**

(Rs. In lakhs)

Particulars	As at 31st March,2024	As at 31st March, 2023
Raw Materials	1,228.50	808.31
Work-in-Progress	335.37	350.55
Finished Goods	844.78	577.11
Other Inventories - Stock in trade	1.59	1.71
<b>Total</b>	<b>2,410.23</b>	<b>1,737.68</b>

**Note: 6 Trade Receivables**

(Rs. In lakhs)

Particulars	As at 31st March,2024	As at 31st March, 2023
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	103.63	112.57
<b>Sub total</b>	<b>103.63</b>	<b>112.57</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	399.18	1,100.47
<b>Total</b>	<b>502.80</b>	<b>1,213.04</b>





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**6.1 Trade receivables ageing schedule**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Outstanding for the following periods from the date of transaction)</b>		
<b>Unsecured</b>		
<u>Undisputed trade receivables - considered good</u>		
Not due		
Less than 6 months	399.18	1,100.47
6 months -1 year	0.11	109.57
1-2 years	103.51	-
2-3 years	-	3.00
More than 3 years	-	-
<b>Total</b>	<b>502.80</b>	<b>1,213.04</b>

**Note: 7 Cash and Cash Equivalents**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Bank Balances:-</b>		
In Current Account	-	0.20
Cash on hand	0.53	1.54
<b>Total</b>	<b>0.53</b>	<b>1.74</b>

**Note:8 Other Bank Balances**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Earmarked Balances with Banks</b>		
South Indian Bank -Dividend	0.45	-
<b>Total</b>	<b>0.45</b>	<b>-</b>

**Note: 9 Other Current Assets**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory Receivable (net)	102.41	48.77
Advances to Suppliers	21.58	407.03
Advances Recoverable in Cash or in Kind	2.45	3.94
Prepaid Expenses	7.34	7.05
Government grants receivable	169.97	176.18
<b>Total</b>	<b>304.03</b>	<b>642.97</b>





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note:10 Equity Share Capital**

(Rs. In lakhs)

Particulars	As at 31st March,2024	As at 31st March, 2023
<b>Authorised</b>		
2,50,00,000 Equity Shares of Rs. 10/- each.	-	2,500.00
82,00,00,000 Equity Shares of Rs.1/-each.	8,200.00	-
	<b>8,200.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed &amp; Paid up</b>		
2,49,99,000 Equity Shares of Rs. 10/- each, Fully paid up	-	2,499.90
29,99,88,000 Equity Shares of Rs.1/- each, Fully paid up	2,999.88	-
<b>Total</b>	<b>2,999.88</b>	<b>2,499.90</b>

**10.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the year:-**

Particulars	No. of Shares	As at 31st March,2024	No. of shares	As at 31st March,2023
	(In Nos.)	(Rs. In lakhs)	(In Nos.)	(Rs. In lakhs)
Shares outstanding at beginning of the year	249,990,000	2,499.90	24,999,000	2,499.90
Addition during the period: Bonus Shares	49,998,000	499.98	-	-
<b>Shares outstanding at end of the year</b>	<b>299,988,000</b>	<b>2,999.88</b>	<b>24,999,000.00</b>	<b>2,499.90</b>

**10.2 The details of Equity Shareholders holding more than 5% shares:**

Name of the Shareholder	As at 31st March,2024		As at 31st March,2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Amit Vallabhghai Gadhiya	5,569,812	1.86%	1,838,100	7.35%
Harikrishna Shamjibhai Chauhan	5,886,838	1.96%	2,695,000	10.78%
Ilaben Dineshbhai Paghdar	-	0.00%	1,007,676	4.03%
Rekhaben Harikrishna Chauhan	24,134,130	8.05%	4,442,500	17.77%
Sonal Prakashkumar Sorathia	-	0.00%	1,794,867	7.18%

**10.3 Details of shares held by promoters at the end of the year**

Name of the Promoters	As at 31st March,2024			As at 31st March,2023		
	No. of Shares	% of Holding	% change	No. of Shares held	% of Holding	% change
Harikrishna Shamjibhai Chauhan	5,886,838	1.96%	-8.82%	2,695,000	10.78%	3.06%
Rekhaben Harikrushnabhai Chauhan	24,134,130	8.05%	-9.73%	4,442,500	17.77%	3.01%
Amit Vallabhghai Gadhiya	5,569,812	1.86%	-5.50%	1,838,100	7.35%	0.00%

**10.4 Aggregate no. of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years (or lesser) immediately preceding the reporting date.**

Particulars	Financial Year	No. of Shares
Issue of fully paid up bonus shares	2023-24	4,99,98,000

**10.5** The Company has only one class of equity shares having a par value of Rs.1 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 11 Other Equity**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Reserves and Surplus</b>		
<b>A. Securities Premium</b>		
Opening Balance	299.70	299.70
Balance as at year end	<b>299.70</b>	<b>299.70</b>
<b>B. Retained Earnings</b>		
Opening balance	1,225.84	1,502.27
(+) Net Profit for year	345.51	(276.43)
(-) Bonus Shares Issued	(499.98)	-
(-) Dividend Paid	(25.00)	-
Balance as at year end	<b>1,046.37</b>	<b>1,225.84</b>
<b>C. Other Comprehensive Income</b>		
Opening balance	38.71	21.49
(+) Changes during the year	3.67	17.22
Balance as at year end	<b>42.39</b>	<b>38.71</b>
<b>Total</b>	<b>1,388.46</b>	<b>1,564.25</b>

**Note: 12 Borrowings-Non Current**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Secured</b>		
Term loans from banks	548.30	363.13
Vehicle Loan from Banks	4.80	11.65
<b>Unsecured</b>		
Loans from Directors and Relatives	345.67	456.42
<b>Total</b>	<b>898.77</b>	<b>831.20</b>

**12.1 Terms of Repayment of Loans:**

Financier/ Category	Nature of security	Terms of Repayment	Rate of Interest
Rupee loans from banks	Hypothecation of plant & machinery and equipments of Company and mortgage of land and buildings situated at Plot No. 2, Survey No. 102/2, Vill Haripar, Tal: Kalawad, Dist Jamnagar	Repayable in 44-47 Installments	8.30% - 9.15%
Vehicle loans	Hypothecation of the respective vehicle	Repayable in 36 Installments	8.30%
Solar Loan	Hypothecation of plant & machineries and equipments of the company and fixed deposit of Rs.100.00 lakhs and personal guarantee of directors	Repayable in 54 Installments	Repo rate+1.4%
Loans from Directors and Relatives	Unsecured	Repayment schedule not specified	-





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 13 Deferred Tax Liability / (Asset)**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred Tax Liability on account of : (I) Depreciation	393.82	416.41
	<b>393.82</b>	<b>416.41</b>
Deferred Tax Assets on account of : (I) Gratuity (II) Unabsorbed depreciation	4.81 -	3.95 91.87
	<b>4.81</b>	<b>95.82</b>
Less: MAT Credit	343.10	347.57
<b>Total</b>	<b>45.91</b>	<b>(26.98)</b>

**Note: 14 Long term provisions**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>Provision for employee benefits:</b> Gratuity	14.11	10.64
<b>Total</b>	<b>14.11</b>	<b>10.64</b>

**Note: 15 Borrowings- Current**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Current Maturities of Long Term Debts	298.86	190.74
<b>Secured</b>		
Working Capital Loans from banks	700.36	745.49
<b>Total</b>	<b>999.22</b>	<b>936.23</b>

**15.1 Terms of Repayment**

Financier/ Category	Nature of security	Terms of Repayment	Rate of Interest
Working capital loans from banks	Hypothecation of the current and movable assets of the Company	Repayable on demand	10.50%

**Note: 16 Trade Payables**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Micro, Small and Medium Enterprises *	683.32	-
Others		
For Raw material & Packing Material	145.16	1,349.06
For Expenses & Others	5.95	130.00
<b>Total</b>	<b>834.43</b>	<b>1,479.07</b>

\*Note : Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosure are required to be made for enterprises which are covered under the Act. We had disclosed to the extent such information is available with the company.





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**16.1 Trade payables ageing schedule**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
<b>(Outstanding for the following periods from the date of transaction)</b>		
<u>Undisputed trade payables - MSMEs</u>		
Not due	-	-
Less than 6 months	683.32	-
6 months -1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>683.32</b>	-
<u>Undisputed trade payables - other than MSMEs</u>		
Not due	-	-
Less than 1 year	150.57	1,470.43
1-2 years	0.54	7.37
2-3 years	-	0.19
More than 3 years	-	1.08
	<b>151.11</b>	<b>1,479.07</b>
	-	-
<b>Total</b>	<b>834.43</b>	<b>1,479.07</b>

16.2 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the co. is as under.

Particulars	As at 31st March, 2024	As at 31st March, 2023
Principal amount due and remaining unpaid at the	683.32	-
Interest due on above and remaining unpaid	-	-
Interest paid other than sec 16 beyond the appointed day during the year	-	-
Principal amount paid beyond the appointed day	14.82	-
Interest paid under sec 16 beyond appoint day	-	-
Interest due and payable for payment already	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

1. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.
2. The Company recognises interest due on late payment to MSMEs on actual payment basis only. Consequently no provision has been made for such interest due during the current reporting period.
3. The Company has not compiled the requisite data to determine the principal amounts paid to suppliers beyond the appointed day during the current reporting period.

**Note: 17 Other Financial Liabilities - Current**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Interest accrued but not due on borrowings	-	39.47
Capital Creditors	-	0.20
Employee Related Liabilities	61.52	91.15
<b>Total</b>	<b>61.52</b>	<b>130.82</b>

17.1 There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2024







**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 18 Other Current Liabilities**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Statutory Dues	21.61	88.00
Unpaid Dividend	0.37	-
Advance from Customers	-	48.37
<b>Total</b>	<b>21.98</b>	<b>136.37</b>

**Note: 19 Short Term Provisions**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Expenses	48.02	51.05
<b>Provision for Employee Benefits:</b>		
Gratuity	4.39	4.53
<b>Total</b>	<b>52.41</b>	<b>55.58</b>

**Note: 20 Current Tax Liabilities (Net)**

(Rs. In lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Income-tax	69.13	-
<b>Total</b>	<b>69.13</b>	<b>-</b>





Akshar Spintex Limited  
Notes to the Financial Statements for the year ended March 31, 2024

Note: 21 Revenue from Operations

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Products	17,495.51	13,655.54
Other Operating Revenue	17,495.51	13,655.54 (102.29)
<b>Total</b>	<b>17,495.51</b>	<b>13,553.25</b>

Note: 22 Other Income

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Interest on Financial Assets</b>		
On Bank Fixed Deposits	10.95	5.46
<b>Other Gain and Losses</b>		
Income from government grants/subsidies	284.96	233.45
<b>Total</b>	<b>295.90</b>	<b>238.91</b>

Note: 23 Cost of Materials Consumed

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Inventory	808.31	2,514.44
Add : Purchase	11,688.64	10,100.14
Less : Closing Inventory	1,228.50	808.31
<b>Total</b>	<b>11,268.46</b>	<b>11,806.26</b>

Note: 24 Purchase of Stock in Trade

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Stock in Trade	3,724.30	348.72

Note: 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Inventories (at close):</b>		
Work-in-Process	335.37	350.55
Finished Goods	844.78	577.11
Other Inventories- Stock in trade	1.59	1.71
	<b>1,181.74</b>	<b>929.36</b>
<b>Inventories (at commencement):</b>		
Work-in-Process	350.55	423.41
Finished Goods	577.11	351.51
Other Inventories- Stock in trade	1.71	28.87
	<b>929.36</b>	<b>803.79</b>
<b>Total</b>	<b>(252.37)</b>	<b>(125.58)</b>





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 26 Employee benefit expenses**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and Wages	467.08	490.96
Contributions to - Provident fund, Superannuation scheme & Other funds	12.55	13.68
Staff welfare expenses	1.00	-
<b>Total</b>	<b>480.63</b>	<b>504.63</b>

**26.1 Employee Benefits, the disclosures as defined in the Accounting Standard are given below:**

**Defined Benefit Gratuity Plan:**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(I) Amount Recognised in Balance Sheet</b>		
Present value of unfunded Obligations	18.50	15.18
<b>Net Liability (asset)</b>	<b>18.50</b>	<b>15.18</b>
<b>(II) Amounts to be recognised in Profit and Loss Account</b>		
<b>Service Cost</b>		
Current Service Cost	7.29	8.51
Net Interest Cost	0.99	1.50
Total included in Employees Expenses	8.28	10.01
Expenses Deducted from the Fund	-	-
<b>Total Charged to profit and loss</b>	<b>8.28</b>	<b>10.01</b>
<b>(III) Other Comprehensive Income for the Period</b>		
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	0.09	0.43
Due to Experience Adjustments	(5.05)	(23.71)
<b>Amount Recognised in Other Comprehensive Income</b>	<b>(4.96)</b>	<b>-23.28</b>
<b>(IV) Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	15.18	28.45
Interest cost	0.99	1.50
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	0.09	0.43
Due to Experience Adjustments	(5.05)	-23.71
Current Service Cost	7.29	8.51
<b>Closing Defined Benefit Obligation</b>	<b>18.50</b>	<b>15.18</b>
<b>(V) Assumptions:</b>		
Discount Rate (per annum)	7.15%	7.30%
Rate of Increase in Salary	7.00%	7.00%
Withdrawal Rate	Age 25 & Below and 55 & above : 30% p.a.	Age 25 & Below and 55 & above : 30% p.a.

**Note: 27 Finance Cost**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses		
On Long Term Loan	51.50	80.74
On Short Term Loan	78.59	75.08
On Other Borrowing and/or late payments	0.75	10.62
Other Borrowing Costs	2.50	5.30
<b>Total</b>	<b>133.34</b>	<b>171.73</b>





**Akshar Spintex Limited**  
Notes to the Financial Statements for the year ended March 31, 2024

**Note: 28 Other Expenses**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Direct Expenses</b>		
Stores and Spares Consumed	123.03	95.12
Power and Fuel	1.57	1.32
Electricity Expense	1,185.27	830.02
Job work Charges	-	14.04
Factory Building repairing expense	3.17	-
<b>Indirect Expenses</b>		
Office Electricity Expense	0.05	0.19
Factory and Other Expenses	3.64	3.47
Repairs to Machinery	0.05	-
Repairs to Others	6.45	10.01
Insurance	14.23	16.10
Rates and Taxes	-	0.79
Discount	5.62	-
Telephone and Postage	0.79	0.82
Printing and Stationery	1.14	1.10
Donation and Other Subscriptions	3.00	0.05
Registration and Filing Fees	24.58	22.04
Legal & Professional Fees	54.60	8.97
Bank charges	2.66	13.94
Travelling and Conveyance	0.41	0.12
Payments to Auditors	4.33	4.66
Advertising and sales promotion expenses	4.28	1.73
Vehicle running expenses	13.63	12.53
Safety and Security Expense	8.34	8.74
Information Technology Expense	2.20	1.43
Payment for Technical Services	1.33	0.27
Commission to Selling Agents	11.09	27.26
CSR Expense	3.53	2.92
Loading and Unloading Cost	-	0.13
Bad Debts	15.66	0.25
GST audit Assessment Tax	6.34	-
Miscellaneous Expenses	0.88	0.39
<b>Total</b>	<b>1,501.88</b>	<b>1,078.42</b>

**28.1 Details of Stores and Spares Consumed**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Indigenous	123.03	95.12
<b>Total</b>	<b>123.03</b>	<b>95.12</b>

**28.2 Expenditure incurred on Corporate Social Responsibility Activities**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Gross amount required to be spent by the company during the year	3.53	2.92
Amount spent during the year on :		
Construction/ Acquisition of any asset	-	-
On purpose other than above	2.50	-
Amount of shortfall at the end of the year	1.03	2.92
Total of previous year shortfall	3.95	-
Nature of CSR activity	PM fund	NA
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

**28.3 Payments to Auditors as:**

Particulars	(Rs. In Lacs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory Auditors :		
i) Audit Fees	4.00	4.00
<b>Sub Total</b>	<b>4.00</b>	<b>4.00</b>
Cost Auditors :		
i) As auditors	0.33	0.66
<b>Total</b>	<b>4.33</b>	<b>4.66</b>



**Akshar Spintex Limited**  
Notes to the Financial Statements for the year ended March 31, 2024

**Note: 29 Income Tax**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Net Tax Expenses</b>		
Current tax	84.28	-
MAT credit availed / (entitlement)	(7.79)	-
Deferred tax liability/(assets)	67.14	(110.92)
Prior Period Tax	12.46	(31.64)
	<b>156.09</b>	<b>(142.57)</b>
<b>Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate</b>		
Profit/ (loss) before tax	501.60	(419.00)
India's statutory income tax rate	26.00%	26.00%
<b>Expected income tax expense as per applicable taxes</b>	<b>130.42</b>	<b>(108.94)</b>
Non-deductibles expenses	3.09	12.92
Prior Period Tax	12.46	31.64
Changes due to brought forward tax losses	(85.47)	-
Difference due to different tax rate	41.68	(34.82)
Others	53.91	(43.37)
<b>Total</b>	<b>156.09</b>	<b>(142.57)</b>

**Note: 30 Earnings Per Share (EPS)**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In lakhs)	345.51	(276.43)
Weighted average number of shares considered for calculating EPS (In Nos.)	299,988,000	299,988,000
Basic Earnings per share (Rs.)	0.12	(0.09)
Diluted Earnings per share (Rs.)	0.12	(0.09)
Face Value per equity share (Rs.)	1.00	1.00

**Note: 31 Contingent Liabilities not provided for in respect of**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax matters in dispute in respect of Assessment dues before CIT (Appeal) for A.Y. 2018-19.	119.16	119.16





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 32 Additional regulatory information**

**32.1. Capital work-in-progress ageing schedule**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount in capital work-in-progress for the period of		
<b>Projects in progress</b>		
Less than 1 year	-	0.13
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-

**32.2. Capital work-in-progress completion schedule**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Capital work-in-progress to be completed in		
<b>Projects in progress</b>		
[Solar Power Plant]		
Less than 1 year	-	500.00
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-

**32.3 Details of benami property(ies) held**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**32.4 Security of current assets against borrowings**

The Company is having borrowings from banks or financial institutions against which security of current assets is given. Quarterly returns and statements of current assets filed by the Company with banks and financial institutions are not in agreement with the books of accounts. Summary of reconciliation and reasons for material discrepancies are as follows:

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of account (in Rs. lakhs)	Amount as reported in the quarterly return/ statement (in Rs. lakhs)	Amount of difference (in Rs. lakhs)	Reason for material discrepancies (See notes below)
Q1	The South Indian Bank Ltd	Sundry debtors	1,025.77	1,059.78	(34.01)	Note No 1
Q2	The South Indian Bank Ltd	Stock	1,542.14	1,489.55	52.60	Note No 2
Q3	The South Indian Bank Ltd	Sundry creditors	1,698.83	1,695.76	3.07	Note No 3

Note No. 1 : Difference is on account of Provisional Figures of Debtors Submitted to bank.

Note No. 2 : Difference is on account of change in rate of stock.

Note No. 3 : Difference is on account of Provisional Figures of Creditors Submitted to bank.

**32.5 Details of willful default**

The Company has not been declared as a willful defaulter by any bank or financial institution, in accordance with the guidance on willful defaulters issued by Reserve Bank of India.

**32.6 Relationship with struck- off companies**

The Company does not have any transactions with struck-off companies.

**32.7 Delay in registration/satisfaction of charge with registrar of companies**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**32.8 Compliance with number of layers of companies**

The Company does not have subsidiary company, hence the compliance regarding with the number of layers of Companies as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable to the Company.





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**32.9 Analytical ratios**

Particulars	As at 31st March, 2024	As at 31st March, 2023	% change
<b>Current ratio</b>			
Current assets (in Rs. lacs) (A)	3,218.05	3,595.43	
Current liabilities (in Rs. lacs) (B)	2,038.69	2,738.07	
<b>Ratio (times) = (A)/(B)</b>	<b>1.58</b>	<b>1.31</b>	20.21%
<b>Debt-equity ratio</b>			
Total debt (in Rs. lacs) (A)	1,897.99	1,767.43	
Shareholders' funds (in Rs. lacs) (B)	4,388.34	4,064.15	
<b>Ratio (times) = (A)/(B)</b>	<b>0.43</b>	<b>0.43</b>	-0.55%
<b>Debt service coverage ratio</b>			
Net profit/(loss) before tax (in Rs. lacs)	501.60	(419.00)	
Add: Finance cost (in Rs. lacs)	133.34	171.73	
Add: Depreciation and amortisation expense (in Rs. lacs)	433.57	426.97	
Earnings available for debt services (in Rs. lacs) (A)	1,068.51	179.70	
Interest expense (in Rs. lacs)	133.34	171.73	
Principal repayment (in Rs. lacs)	249.67	664.01	
Debt service (in Rs. lacs) (B)	383.01	835.74	
<b>Ratio (times) = (A)/(B)</b>	<b>2.79</b>	<b>0.22</b>	1197.47%
<b>Return on equity</b>			
Net profit/(loss) after tax (in Rs. lacs) (A)	345.51	(276.43)	
Average shareholders' funds (in Rs. lacs) (B)	4,226.24	4,193.75	
<b>Ratio (%) = (A)/(B)</b>	<b>8.18%</b>	<b>-6.59%</b>	-224.03%
<b>Inventory turnover ratio</b>			
Cost of goods sold (in Rs. lacs) (A)	14,740.39	12,029.41	
Average inventory (in Rs. lacs) (B)	2,073.96	2,527.95	
<b>Ratio (times) = (A)/(B)</b>	<b>7.11</b>	<b>4.76</b>	49.36%
<b>Trade receivables turnover ratio</b>			
Revenue from operations (in Rs. lacs) (A)	17,495.51	13,553.25	
Average trade receivables (in Rs. lacs) (B)	857.92	658.28	
<b>Ratio (times) = (A)/(B)</b>	<b>20.39</b>	<b>20.59</b>	-0.95%
<b>Trade payables turnover ratio</b>			
Total purchase (in Rs. lacs) (A)	15,412.94	10,448.86	
Average trade payables (in Rs. lacs) (B)	1,156.75	1,418.43	
<b>Ratio (times) = (A)/(B)</b>	<b>13.32</b>	<b>7.37</b>	80.88%
<b>Net capital turnover ratio</b>			
Revenue from operations (in Rs. lacs) (A)	17,495.51	13,553.25	
Current assets (in Rs. lacs)	3,218.05	3,595.43	
Less: Current liabilities (in Rs. lacs)	2,038.69	2,738.07	
Net working capital (in Rs. lacs)	1,179.37	857.36	
Average net working capital (in Rs. lacs) (B)	1,018.36	1,034.56	
<b>Ratio (times) = (A)/(B)</b>	<b>17.18</b>	<b>13.10</b>	31.14%
<b>Net profit ratio</b>			
Net profit/(loss) after tax (in Rs. lacs) (A)	345.51	(276.43)	
Revenue from operations (in Rs. lacs) (B)	17,495.51	13,553.25	
<b>Ratio (%) = (A)/(B)</b>	<b>1.97%</b>	<b>-2.04%</b>	-196.83%
<b>Return on capital employed</b>			
Net profit/(loss) before tax (in Rs. lacs)	501.60	(419.00)	
Add: Finance cost (in Rs. lacs)	133.34	171.73	
Earning before interest and taxes (in Rs. lacs) (A)	634.94	(247.27)	
Average capital employed (in Rs. lacs) (B)	5,126.56	5,261.14	
<b>Ratio (%) = (A)/(B)</b>	<b>12.39%</b>	<b>-4.70%</b>	-363.52%
<b>Return on investment</b>			
Income earned on investments (in Rs. lacs) (A)	-	-	
Average investments (in Rs. lacs) (B)	-	-	
<b>Ratio (%) = (A)/(B)</b>	NA	NA	0.00%





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

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**Reason for change for more than 25%**

**1. Debt service coverage ratio**

Debt service coverage ratio has increased due to increase in profit in current year as compared to previous year.

**2. Return on equity**

Return on equity has increased due to increase in profit in current year compared to previous year.

**3. Inventory turnover ratio**

Inventory turnover ratio has increased due to increase in cost of goods sold as compared to previous year

**4. Trade payables turnover ratio**

Trade payables turnover ratio has increased due to increase in credit purchase and no such increase in trade payable as compared to previous year.

**5. Net capital turnover ratio**

Net capital turnover ratio has decreased on account of increase in the working capital intensity of the Company's operations.

**6. Net profit ratio**

Net profit ratio has increased due to increase in profit in current year compared to previous year.

**7. Return on capital employed**

Return on capital employed has increased due to increase in profit in current year compared to previous year.





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 33 Related Party Information as per Ind AS 24**

**(A) Name of related party and nature of relationship**

Name of related party	Description of relationship
<b>1. Key Managerial Personnel</b>	
Amitbhai Gadhiya	Managing Director
Harikrishna Chauhan	Chairman & Whole Time Director
Ilaben Paghadar	Executive Director
Nirala Joshi#	Independent Director
Rohitbhai Dobariya#	Independent Director
Parshotambhai Vasoya#	Independent Director
Pratik M. Makawana (Resigned w.e.f 01st August,2023)	CS
Bharti Girdharbhai Ajudiya (Appointed w.e.f 19th October,2023)	CS & Compliance Officer
Jagdish D. Otradi (Resigned w.e.f 28th May,2023)	CFO
Poonam Kapupara (Appointed w.e.f 26th February,2024)	CFO

**2. Relatives Of Key Managerial Personnel**

Rekhaben Harikrishna Chauhan  
Pooja Amitbhai Gadhiya#  
Pravinaben Gohil  
Dineshbhai Paghadar

# There are no transactions during the year with the above entities

**(B) Transactions with related party**

Name of Related Party	(Rs. In Lakhs)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Remuneration to Key Managerial Personnel</b>		
Ilaben Paghdar	7.80	7.80
Amitbhai Gadhiya	12.00	12.00
Pratik M. Makawana	1.47	3.30
Jagdish D. Otradi	0.54	3.30
Harikrishna Chauhan	12.00	12.00
Poonam Kapupara	0.35	-
Bharti G Ajudiya	1.33	-
<b>Salary to Relatives of KMP's</b>		
Pravinaben Gohil	5.06	4.20
Rekhaben Chauhan	7.59	6.30
Dineshbhai Paghadar	4.43	-
Kantaben Gadhiya	-	4.20



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

<b>Loan accepted</b>		
Harikrishna Chauhan	49.50	43.50
Amitbhai Gadhiya	24.75	128.87
<b>Accepted loans repaid</b>		
Amitbhai Gadhiya	50.00	138.67
Harikrishna Chauhan	135.00	173.55

Name of Related Party	(Rs. In Lakhs)	
	Outstanding balance	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Loans from related parties</b>		
Rekhaben Chauhan	56.89	56.89
Ilaben Pagdhar	79.00	79.00
Rajdeepbhai Patel	25.40	25.40
Amitbhai Gadhiya	101.74	126.99
Harikrishna Chauhan	82.65	168.15
<b>Other balances- Interest payable</b>		
Rekhaben Chauhan	-	4.60
Ilaben Pagdhar	-	6.38
Amitbhai Gadhiya	-	10.27
Harikrishna Chauhan	-	18.22

(D) There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties

(E) Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 34 Fair Value Measurements**

**Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

**(A) Financial instruments by category**

31-Mar-24	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>[i] Financial assets</b>						
Security deposit	-	-	9.89	-	-	-
Trade receivable	-	-	502.80	-	-	-
Cash and cash equivalents	-	-	0.53	-	-	-
Bank balances other than cash and cash equivalents	-	-	214.11	-	-	-
	-	-	<b>727.33</b>	-	-	-
<b>[ii] Financial liabilities</b>						
Borrowings	-	-	1,897.99	-	-	-
Trade payables	-	-	834.43	-	-	-
Other financial liabilities	-	-	61.52	-	-	-
	-	-	<b>2,793.93</b>	-	-	-

31-Mar-23	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>[i] Financial assets</b>						
Security deposit	-	-	0.75	-	-	-
Trade receivable	-	-	1,213.04	-	-	-
Cash and cash equivalents	-	-	1.74	-	-	-
Bank balances other than cash and cash equivalents	-	-	104.33	-	-	-
	-	-	<b>1,319.86</b>	-	-	-
<b>[ii] Financial liabilities</b>						
Borrowings	-	-	1,767.43	-	-	-
Trade payables	-	-	1,479.07	-	-	-
Other financial liabilities	-	-	130.82	-	-	-
	-	-	<b>3,377.32</b>	-	-	-





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**(B) FAIR VALUE HEIRARCHY**

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company has made certain judgements and estimates in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company as classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is as

Level 1: Level 1 of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Level 2 heirarchy includes financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 heirarchy.

**(C) VALUATION TECHNIQUES**

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices for mutual funds

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which required level 3 valuation.

**Note: 35 Capital Management**

The Company policy is to have robust financial base so as to maintain outsider's confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity shareholders. The company monitors capital using a ratio of "adjusted net debt" to "equity". For this purpose, adjusted net debt is defined as total liability, comprising interest-bearing loans and borrowing, less cash and cash equivalents. Total Equity includes the share capital, other equity.

The capital gearing ratio is as follows:

Particulars	31-Mar-24	31-Mar-23
Borrowings (Incl. Current Maturity)	1,897.99	1,767.43
Less: Cash and Cash Equivalents	(0.53)	(1.74)
<b>Adjusted Net Debt (A)</b>	<b>1,897.45</b>	<b>1,765.69</b>
Equity Share Capital	2,999.88	2,499.90
Other Equity	1,388.46	1,564.25
<b>Total Equity (B)</b>	<b>4,388.34</b>	<b>4,064.15</b>
<b>Adjusted Net Debt to Total Equity ratio (A/B)</b>	<b>0.43</b>	<b>0.43</b>



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 36 Financial Risk Management**

The Company's business activities are exposed to a variety of financial risks, viz liquidity risk, market risk and credit risk. The Management of the Company has the overall responsibility for establishing and governing the Company's risk policy framework. The risk management policies are formulated after the identification and analysis of the risks and suitable risk limits and controls are set which are monitored & reviewed periodically. The changes in the market conditions and allied areas are accordingly reflected in the changes of the policy. The key risks and mitigating actions are placed before the Audit Committee of the Company who then evaluate and take the necessary corrective action. The sources of risk, which the Company is exposed to and how the Company manages these risks with their impact on the Financial Statements is given below:

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables, Cash and cash	Ageing analysis, Credit ratings	Credit limits and bank gaurantees
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow budgeted Vs actuals	Availibility of commited credit lines and borrowing facilities
Market risk - Foreign Currency	Foreign currency receivables and payables; Forecasted foreign currency transactions	Cash flow forecasting and Sensitivity analysis	Insignificant foreign currency exposure
Market risk - Interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	The management monitors the rates of interests and continues to evaluate refinancing of debts at lower rates of interest on a regular basis.

**[A] Credit risk**

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Company holds all the balances with approved bankers only.

**Trade receivables**

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer base is large, reputed and having good credit credential as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is

**[B] Liquidity risk**

Liquidity risk is the risk the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Management considers both normal and stressed conditions.

**Maturities of financial liabilities**

The below table analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.





**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2024**

Particulars	Carrying amount	Upto 1 year	1 - 2 year	More than 2 years	Total
<b>31-Mar-24</b>					
<b>Non-derivatives</b>					
Borrowings (including interest accrued)	1,897.99	999.22	279.78	618.99	1,897.99
Trade payables	834.43	834.43	-	-	834.43
Other financial liabilities	61.52	61.52	-	-	61.52
<b>Total</b>	<b>2,793.93</b>	<b>1,895.17</b>	<b>279.78</b>	<b>618.99</b>	<b>2,793.93</b>
<b>31-Mar-23</b>					
<b>Non-derivatives</b>					
Borrowings (including interest accrued)	1,767.43	936.23	187.75	643.45	1,767.43
Trade payables	1,479.07	1,479.07	-	-	1,479.07
Other financial liabilities	130.82	127.29	-	-	127.29
<b>Total</b>	<b>3,377.32</b>	<b>2,542.59</b>	<b>187.75</b>	<b>643.45</b>	<b>3,373.79</b>

**[C] Market risk**

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk; and
- Interest rate risk

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets /borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

**Interest rate risk exposure**

The exposure of the Company to change in interest rate at end of the reporting periods are as follows:

Particulars	31-Mar-24		31-Mar-23	
	Amount	% of total	Amount	% of total
Variable rate borrowing	1,897.99	100.00%	1,767.43	100.00%
Fixed rate borrowing	-	0.00%	-	0.00%
	<b>1,897.99</b>		<b>1,767.43</b>	

**Sensitivity**

Profit and loss is sensitive to higher/lower interest expenses from borrowing as a result of change in interest rate.

Particulars	Impact on profit after tax	
	31-Mar-24	31-Mar-23
Interest rate increase by 100 basis points	(25.66)	(23.90)
Interest rate decrease by 100 basis points	25.66	23.90



**Akshar Spintex Limited**

**Notes to the Financial Statements for the year ended March 31, 2024**

**Note: 37 Segment Information :**

**(a) Primary segment**

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

**Note: 38**

1. Figures of previous reporting periods have been regrouped/reclassified wherever necessary to correspond with the figures of the current reporting period.
2. The outstanding balance as on year end in respect of trade receivables, trade payables, loans and advances and other payables, and other receivables, if any, are subject to confirmation from respective parties and consequential reconciliation and/or adjustments arising there from, if any. Management of the Company, however, does not expect any
3. According to the opinion of the management of the Company, the value of realization of trade and other receivables and loans and advances given in the ordinary course of the business, if any, would not be less than the amount at which they are stated in the balance sheet.

As per our Report of even date

For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W



Hasmukh B Kalaria  
Partner  
Membership No.: 042002

Rajkot, May 20, 2024



For and on behalf of the Board of Directors,



Amit V. Gadhiya  
Managing Director  
DIN: 06604671



Bharti Ajudiya  
CS  
PAN: ARGPA8582L

Haripar, May 20, 2024



Harikrishna Chauhan  
Whole Time Director  
DIN:07710106



Poonam Kapupara  
CFO  
PAN: LERPK8014D



**Independent Auditor's Report**

To the Members of **Akshar Spintex Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Akshar Spintex Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows, and Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to communicate in our report except as stated in Emphasis of Matter below.







**Emphasis of Matter**

The Company's management is responsible for carrying out the inspection of its inventories on a regular basis. We have not independently verified the inventories of the Company during the year under review. Any adjustment to the value of inventories as appearing in the balance sheet of the Company may have an effect on the loss and net assets of the Company for the period and year ended March 31, 2023.

We draw your attention to Note 40.2 to the financial statements where the Company's management has stated that outstanding balances, if any, at the yearend in respect of trade receivables, trade payables etc. are subject to confirmation from those respective parties and consequential reconciliation and/or adjustments arising there from. These have not been independently verified by us during the year under review. Any adjustment to the value of such balances as appearing in the balance sheet of the Company may have an effect on the loss and net assets of the Company for the period and year ended March 31, 2023.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of



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

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's



ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.





- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 32 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv.
    1. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    2. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or





**H. B. KALARIA & ASSOCIATES**  
**Chartered Accountants**

A-601/602, The Imperial Heights, 150 Ft. Ring Road,  
Opp. Big Bazaar, Rajkot - 360 004.

- otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material misstatement.
- v. The Company has not paid any dividends during the year and hence, the provisions of Section 123 of the Act are not applicable to the Company.

Place: Rajkot  
Date: 27/05/2023

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





(Hasmukh Kalaria)

Partner

Mem. No. 042002

UDIN: 23042002BGVKEX1295

**Annexure A**

**Referred to in the section Report on Other Legal and Regulatory Requirements on of the Independent Auditors' Report of even date to the members of Akshar Spintex Limited on the financial statements as of and for the year ended March 31, 2023**

- (i)
- (a) In respect of its property, plant, and equipment:
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company does not have any intangible assets and hence, is not required to maintain records for the same.
- (b) The Company has a programme of verification of property, plant and equipment to cover all the items in a phased manner over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment and investment property were physically verified by the Management during the current reporting period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its property, plant and equipment during the reporting period and hence, clause (i)(d) of the Order is not applicable.
- (e) As explained to us by the management of the Company, there have not been any proceedings initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder during the current reporting period or as at the balance sheet date.
- (ii)
- (a) We have not been provided with the records of inventory verification done by the management of the company during the reporting period. Hence, we are unable to comment on whether there were any material discrepancies noticed by the management and whether the same have been dealt with in the books of accounts of the Company during the reporting period.
- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; the quarterly returns/statements filed by the Company with the banks during the reporting period are not in agreement with the books of accounts of the Company. The details regarding such reconciliation is as disclosed in note [33.3] of the financial statements.



- (iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence clause (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans, investments or provided any guarantees and hence, the provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the current reporting period in terms of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In our opinion and according to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities apart from a few delays in the payment of professional tax.

There were undisputed amounts payable in arrears as at the balance sheet date for a period of more than six months from the date they became payable. The details of which are as follows:

Name of statute	Nature of dues	Amount unpaid (in Rs. lacs)	Period to which the amount relates	Due date of payment	Actual date of payment
Gujarat Professional Tax Act	Professional Tax	4.97	F.Y. 2020-21	Monthly	Not paid till date of report
Gujarat Professional Tax Act	Professional Tax	5.09	F.Y. 2021-22	Monthly	Not paid till date of report
Gujarat Professional Tax Act	Professional Tax	1.66	F.Y. 2022-23	Monthly	Not paid till date of report



- (b) Details of statutory dues which have not been deposited as at the balance sheet date on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute pending	Period to which the amount relates	Gross amount due (in Rs. lacs)	Amount unpaid (in Rs. lacs)
The Income Tax Act, 1961	Income Tax	The Commissioner of Income tax (Appeals)	A.Y. 2018-19	119.16	119.16

- (viii) According to the information and explanations given to us, the Company does not have any transactions, which were not recorded in the books of accounts and which have been surrendered or disclosed as income during the current reporting period in the tax assessments under the Income-tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks. The Company has not taken any loans or borrowings from the government.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared as a willful defaulter by any bank or financial institution or other lender during the reporting period.
- (c) The Company has obtained term loans during the current reporting period which, in our opinion and according to the information and explanations given to us, have been utilized for their stated purpose(s).
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we believe that no funds raised on short-term basis have been used for long-term purposes by the Company. We have however not made a detailed examination of the same.
- (e) The Company does not have any associate, subsidiary or joint venture and hence, clause (ix)(e) of the Order is not applicable.
- (f) The Company does not have any associate, subsidiary or joint venture and hence, clause (ix)(f) of the Order is not applicable.
- (x) (a) During the current reporting period, the Company has not raised funds by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause (x)(a) of the Order is not applicable to the Company.
- (b) During the current reporting period, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (x)(b) of the Order is not applicable to the Company.





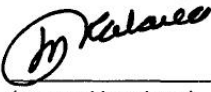
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the current reporting period.
- (b) To the best of our knowledge and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) To the best of our knowledge and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the current reporting period.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under review during our audit of the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the current reporting period the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, if any or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the current reporting period and hence, is not required to obtain a Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.
- (d) The Company does not have any Group companies and hence, clause (xvi)(d) of the Order is not applicable to the Company.
- (xvii) In our opinion, the Company has not incurred any cash losses during the current reporting period and in the immediately preceding reporting period.



- (xviii) There has not been any resignation of the statutory auditors during the current reporting period under review.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, the Company has not transferred unspent amount, in respect of other than ongoing project(s), to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with the second proviso to sub-section (5) of section 135 of the Act.
- (b) According to the information and explanations given to us, the Company does not have any ongoing project(s) for which funds remain unspent under sub-section (5) of section 135 of the Companies Act and hence, is not required to transfer any funds to a special account in compliance with the provision of sub-section (6) of section 135 of the Companies Act, 2013.
- (xxi) Clause (xxi) of the CARO, 2020 is not applicable in the report on the standalone financial statements of the Company.

Place: Rajkot  
Date: 27/05/2023

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



(Hasmukh Kalaria)  
Partner  
Mem. No. 042002  
UDIN: 23042002BGVKEX1295



## Annexure B

**Referred to in point f. of the section Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Akshar Spintex Limited on the financial statements for the year ended March 31, 2023**

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

In conjunction with our audit of the financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over the financial reporting of Akshar Spintex Limited ("the Company") as of that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect of financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Place: Rajkot  
Date: 27/05/2023

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

Chartered Accountants

  
(Hasmukh Kalaria)  
Partner  
Mem. No. 042002  
UDIN: 22042002AJISSM6288





**Akshar Spintex Limited**  
**Balance Sheet as at 31st March, 2023**

(Rs. In lakhs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
<b>I. ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Plant, Property and Equipments	3	3,916.44	4,321.17	4,608.54
(b) Capital Work-In-Progress		0.13		-
<b>(c) Financial Assets</b>				
(i) Non-Current Investments	4	-	-	31.00
(ii) Other Non-Current Financial Assets	5	105.08	83.36	155.96
(d) Deferred Tax Assets (Net)	14	26.98	-	-
(e) Other Non-Current Assets		-	-	-
<b>Total Non-Current Assets</b>		<b>4,048.63</b>	<b>4,404.53</b>	<b>4,795.50</b>
<b>Current Assets</b>				
(a) Inventories	6	1,737.68	3,318.23	1,564.35
<b>(b) Financial Assets</b>				
(i) Trade Receivable	7	1,213.04	103.51	314.31
(ii) Cash and Cash Equivalents	8	1.74	5.00	8.89
(iii) Bank Balances Other Than (ii) Above		-	-	-
(iv) Loans	9	-	0.25	1.35
(v) Other Financial Assets		-	-	-
(c) Other Current Assets	10	642.97	1,456.41	385.61
<b>Total Current Assets</b>		<b>3,595.43</b>	<b>4,883.40</b>	<b>2,274.51</b>
<b>TOTAL ASSETS</b>		<b>7,644.06</b>	<b>9,287.93</b>	<b>7,070.02</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	11	2,499.90	2,499.90	2,499.90
b) Other Equity	12	1,564.25	1,823.46	1,125.77
<b>Total Equity</b>		<b>4,064.15</b>	<b>4,323.36</b>	<b>3,625.67</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>a) Financial Liabilities</b>				
(i) Borrowings	13	831.20	1,158.84	1,362.67
(ii) Other Financial liabilities		-	-	-
b) Deferred Tax Liabilities (Net)	14	-	109.53	6.14
c) Long Term Provisions	15	10.64	24.55	11.80
<b>Total Non Current Liabilities</b>		<b>841.85</b>	<b>1,292.93</b>	<b>1,380.61</b>
<b>Current Liabilities</b>				
<b>a) Financial Liabilities</b>				
(i) Borrowings	16	936.23	1,405.77	1,146.52
(ii) Trade Payables	17	1,479.07	1,357.79	751.32
(iii) Other Financial Liabilities	18	130.82	127.29	83.39
b) Other Current Liabilities	19	136.37	667.35	29.77
c) Short Term Provisions	20	55.58	49.32	52.73
d) Current Tax Liabilities (Net)	21	-	64.11	-
<b>Total Current Liabilities</b>		<b>2,738.07</b>	<b>3,671.64</b>	<b>2,063.73</b>
<b>Total Liabilities</b>		<b>3,579.91</b>	<b>4,964.57</b>	<b>3,444.34</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,644.06</b>	<b>9,287.93</b>	<b>7,070.02</b>

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

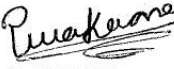
For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W

  
Hasmukh B Kalaria  
Partner  
Membership No.: 042002


Rajkot, May 27, 2023


For and on behalf of the Board of Directors,

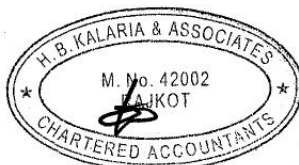
  
Amit V. Gadhiya  
Managing Director  
DIN: 06604671

  
Pratik M. Makawana  
CS  
PAN: BJHPM5951K

Haripur, May 27, 2023

  
Harikrishna Chauhan  
Whole Time Director  
DIN:07710106

  
Jagdish D. Otradi  
CFO  
PAN: ABFPO7856C





**Akshar Spintex Limited**  
**Statement of Profit and Loss for the year ended 31st March, 2023**

(Rs. In lakhs)

Particulars		Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I.	Revenue from Operations	22	13,553.25	17,210.84
II.	Other Income	23	238.91	346.38
III.	<b>Total Income (I + II)</b>		<b>13,792.16</b>	<b>17,557.22</b>
IV.	<b>Expenses:</b>			
	Cost of Materials Consumed	24	11,806.26	12,252.94
	Purchases of Stock-in-Trade	25	348.72	1,659.31
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(125.58)	(165.54)
	Employee Benefits Expense	27	504.63	749.83
	Finance Costs	28	171.73	256.23
	Depreciation and Amortization Expense	3	426.97	421.19
	Other Expenses	29	1,078.42	1,417.01
	<b>Total Expenses</b>		<b>14,211.16</b>	<b>16,590.97</b>
V.	<b>Profit before exceptional items and tax (III-IV)</b>		(419.00)	966.25
VI.	Exceptional income/(expenses)-Net		-	-
VII.	<b>Profit before tax (V + VI)</b>		<b>(419.00)</b>	<b>966.25</b>
VIII.	<b>Tax expense:</b>	30		
	(1) Current tax		-	160.51
	(2) MAT credit availed / (entitlement)		-	(44.21)
	(3) Prior period tax		(31.64)	(9.29)
	(4) Deferred tax liability/(assets)		(110.92)	156.89
IX.	<b>Profit for the year from continuing operations (VII-VIII)</b>		<b>(276.43)</b>	<b>702.36</b>
X.	<b>Other Comprehensive Income/(Expense) (OCI) net of tax expense</b>			
	(1) Items that will not be reclassified to Profit and Loss Account		23.28	(4.67)
	Less: Income Tax impact on above		6.05	-
	<b>Account</b>		-	-
	Less: Income Tax impact on above		-	-
XI.	<b>Total Other Comprehensive Income/(Expenses) (OCI) net of tax expense</b>		<b>17.22</b>	<b>(4.67)</b>
XII.	<b>Total Comprehensive Income (IX + XI)</b>		<b>(259.21)</b>	<b>697.69</b>
XIII.	<b>Earnings per equity share of Rs. 10 each</b>	31		
	(1) Basic		(1.11)	2.81
	(2) Diluted		(1.11)	2.81

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W




Hasmukh B Kalaria  
Partner  
Membership No.: 042062

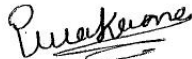



Rajkot, May 27, 2023

For and on behalf of the Board of Directors,

  
Amit V. Gadhiya  
Managing Director  
DIN: 06604671

  
Harikrishna Chauhan  
Whole Time Director  
DIN: 07710106

  
Pratik M. Makawana  
CS  
PAN:BJHPM5951K

  
Jagdish D. Otradi  
CFO  
PAN: ABFPO7856C

Haripar, May 27, 2023



**Akshar Spintex Limited**  
**Statement of Change in Equity for the year ended 31st March, 2023**

A Equity Share Capital		Amount		
Balance as at 1st April 2021		2,499.90		
Change in Equity Share Capital during the year		-		
Balance as at 31st March 2022		2,499.90		
Change in Equity Share Capital during the year		-		
Balance as at 31st March 2023		2,499.90		
<b>B Other Equity</b>				
Particulars	Reserves and Surplus			
	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance as at 1st April 2021	299.70	799.91	26.16	1,125.77
Profit for the year	-	702.36	-	702.36
Other Comprehensive Income	-	-	-4.67	-4.67
<b>Total Comprehensive Income for the year</b>	<b>299.70</b>	<b>1,502.27</b>	<b>21.49</b>	<b>1,823.46</b>
Balance as at 31st March 2022	299.70	1,502.27	21.49	1,823.46
Particulars	Reserves and Surplus			
	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance as at 1st April 2022	299.70	1,502.27	21.49	1,823.46
Profit for the year	-	-276.43	-	-276.43
Other Comprehensive Income	-	-	17.22	17.22
<b>Total Comprehensive Income for the year</b>	<b>299.70</b>	<b>1,225.83</b>	<b>38.72</b>	<b>1,564.25</b>
Balance as at 31st March 2023	299.70	1,225.83	38.72	1,564.25

The above statement shall be read in conjunction with accompanying notes

As per our Report of even date

For and on behalf of the Board of Directors,

For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W

Hasmukh B Kalaria  
Partner  
Membership No.: 042002

Rajkot, May 27, 2023



*Amit V. Gadhiya*  
Amit V. Gadhiya  
Managing Director  
DIN: 06604671

*Pratik M. Makawana*  
Pratik M. Makawana  
CS  
PAN:BJHPM5951K

Haripar, May 27, 2023

*Harikrishna Chauhan*  
Harikrishna Chauhan  
Whole Time Director  
DIN:07710106

*Jagdish D. Otradi*  
Jagdish D. Otradi  
CFO  
PAN: ABFPO7856G


**Akshar Spintex Limited**  
**Cash Flow Statement for the year ended 31st March, 2023**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash Flow from Operating Activity</b>		
Net Profit Before Tax	(419.00)	966.25
Adjustments For:		
Depreciation	426.97	421.19
Interest & Financial Expenses	171.73	256.23
(Profit)/Loss on sale of Fixed Asset	-	1.97
Bad Debts written off	0.25	6.44
Interest Received on Deposits	(5.46)	(6.48)
Loss/(Gain) on Investments	-	(6.78)
Provision for Debtors	-	-
Operating profit before Working Capital Changes	<b>174.48</b>	<b>1,638.82</b>
Adjustment For:		
Inventories	1,580.55	(1,753.88)
Trade Receivables	(1,109.77)	204.36
Other Non-Current Financial Assets	(21.72)	72.61
Financial Assets- Loans	0.25	1.11
Short-term loans and advances	813.44	(1,070.80)
Trade Payables	121.27	606.48
Short-term Provisions	6.26	(3.41)
Long-term Provisions	9.37	8.09
Other Current Liabilities	(530.98)	637.59
Other Current Financial Liabilities	4.61	47.77
Taxes Paid	(64.11)	(96.39)
<b>Net Cash Generated from Operations</b>	<b>983.63</b>	<b>292.34</b>
<b>B. Cash Flow from Investment Activities</b>		
Changes in Creditors for Fixed Assets	(1.08)	(3.87)
Purchase of Property, Plant and Equipments	(22.37)	(139.30)
Proceeds from sale of PPE	-	3.50
Proceeds from sale of non-current investment	-	37.78
Interest Received	5.46	6.48
<b>Net Cash Flow from Investment Activities</b>	<b>(17.98)</b>	<b>(95.41)</b>
<b>C. Cash Flow from Financial Activities:</b>		
Changes in Long Term Borrowings (Net)	(327.64)	(203.83)
Changes in Short Term Borrowings (Net)	(469.54)	259.25
Interest & Financial Expenses	(171.73)	(256.23)
<b>Net Cash Flow from Financial Activities</b>	<b>(968.91)</b>	<b>(200.82)</b>
<b>Total of Cash Flow (A+B+C)</b>	<b>(3.26)</b>	<b>(3.89)</b>
<b>Cash &amp; Cash Equivalent at the beginning of the year</b>	<b>5.00</b>	<b>8.89</b>
<b>Cash &amp; Cash Equivalent at the ending of the year</b>	<b>1.74</b>	<b>5.00</b>
<b>Cash &amp; Cash Equivalent comprising of</b>		
Cash on Hand	1.54	4.80
Balances with Scheduled Banks	0.20	0.20
	<b>1.74</b>	<b>5.00</b>

Note: 1. The above statement shall be read in conjunction with accompanying notes  
2. Previous year's figures have been regrouped wherever necessary to confirm this year's classification.


As per our Report of even date  
For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W

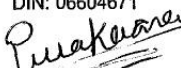
  
Hasmukh B Kalaria  
Partner  
Membership No.: C 12702

Rajkot, May 27, 2023



For and on behalf of the Board of Directors,

  
Amit V. Gadhia  
Managing Director  
DIN: 06604671

  
Pratik M. Makawana  
CS  
PAN: BJHPM59511

Haripar, May 27, 2023

  
Harikrishna Chauhan  
Whole Time Director  
DIN:07710106

  
Jagdish D. Otradi  
CFO  
PAN: ABFPO7856C



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**Note: 33 Additional regulatory information**

**33.1. Capital work-in-progress ageing schedule**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount in capital work-in-progress for the period of <b>Projects in progress</b>		
Less than 1 year	0.13	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-

**33.2. Capital work-in-progress completion schedule**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital work-in-progress to be completed in <b>Projects in progress</b> [Solar Power Plant]		
Less than 1 year	500.00	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-

**33.2 Details of benami property(ies) held**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**33.3 Security of current assets against borrowings**

The Company is having borrowings from banks or financial institutions against which security of current assets is given. Quarterly returns and statements of current assets filed by the Company with banks and financial institutions are not in agreement with the books of accounts. Summary of reconciliation and reasons for material discrepancies are as follows:

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of account (in Rs. lakhs)	Amount as reported in the quarterly return/ statement (in Rs. lakhs)	Amount of difference (in Rs. lakhs)	Reason for material discrepancies (See notes below)
Q4	The South Indian Bank Ltd	Sundry debtors Sundry creditors	1,153.02 1,317.97	1,136.62 1,278.19	16.39 39.78	Note No 1 Note No 2

**Reason for material discrepancies**

Note No. 1 : Difference is on account of Provisional Figures of Debtors Submitted to bank.

Note No. 2 : Difference is on account of Provisional Figures of creditors Submitted to bank.

**33.4 Details of willful default**

The Company has not been declared as a willful defaulter by any bank or financial institution, in accordance with the guidance on willful defaulters issued by Reserve Bank of India.

**33.5 Relationship with struck-off companies**

The Company does not have any transactions with struck-off companies.

**33.6 Delay in registration/satisfaction of charge with registrar of companies**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory pe

**33.7 Compliance with number of layers of companies**

The Company does not have subsidiary company, hence the compliance regarding with the number of layers of Companies as prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable to the Company.



33.8 Analytical ratios

Particulars	As at 31st March, 2023	As at 31st March, 2022	% change
<b>Current ratio</b>			
Current assets (in Rs. lacs) (A)	3,595.43	4,883.40	
Current liabilities (in Rs. lacs) (B)	2,738.07	3,671.64	
<b>Ratio (times) = (A)/(B)</b>	<b>1.31</b>	<b>1.33</b>	<b>-1.27%</b>
<b>Debt-equity ratio</b>			
Total debt (in Rs. lacs) (A)	1,767.43	2,564.61	
Shareholders' funds (in Rs. lacs) (B)	4,064.15	4,323.36	
<b>Ratio (times) = (A)/(B)</b>	<b>0.43</b>	<b>0.59</b>	<b>-26.69%</b>
<b>Debt service coverage ratio</b>			
Net profit/(loss) before tax (in Rs. lacs)	(419.00)	966.25	
Add: Finance cost (in Rs. lacs)	171.73	256.23	
Add: Depreciation and amortisation expense (in Rs. lacs)	426.97	421.19	
Earnings available for debt services (in Rs. lacs) (A)	179.70	1,643.67	
Interest expense (in Rs. lacs)	171.73	256.23	
Principal repayment (in Rs. lacs)	664.01	593.41	
Debt service (in Rs. lacs) (B)	835.74	849.64	
<b>Ratio (times) = (A)/(B)</b>	<b>0.22</b>	<b>1.93</b>	<b>-88.89%</b>
<b>Return on equity</b>			
Net profit/(loss) after tax (in Rs. lacs) (A)	(276.43)	702.36	
Average shareholders' funds (in Rs. lacs) (B)	4,193.76	3,974.52	
<b>Ratio (%) = (A)/(B)</b>	<b>-6.59%</b>	<b>17.67%</b>	<b>-137.30%</b>
<b>Inventory turnover ratio</b>			
Cost of goods sold (in Rs. lacs) (A)	12,029.41	13,746.71	
Average inventory (in Rs. lacs) (B)	2,527.95	2,441.29	
<b>Ratio (times) = (A)/(B)</b>	<b>4.76</b>	<b>5.63</b>	<b>-15.49%</b>
<b>Trade receivables turnover ratio</b>			
Revenue from operations (in Rs. lacs) (A)	13,553.25	17,210.84	
Average trade receivables (in Rs. lacs) (B)	658.28	208.91	
<b>Ratio (times) = (A)/(B)</b>	<b>20.59</b>	<b>82.38</b>	<b>-75.01%</b>
<b>Trade payables turnover ratio</b>			
Total purchase (in Rs. lacs) (A)	10,448.86	15,500.59	
Average trade payables (in Rs. lacs) (B)	1,418.43	1,054.56	
<b>Ratio (times) = (A)/(B)</b>	<b>7.37</b>	<b>14.70</b>	<b>-49.88%</b>
<b>Net capital turnover ratio</b>			
Revenue from operations (in Rs. lacs) (A)	13,553.25	17,210.84	
Current assets (in Rs. lacs)	3,595.43	4,883.40	
Less: Current liabilities (in Rs. lacs)	2,738.07	3,671.64	
Net working capital (in Rs. lacs)	857.36	1,211.76	
Average net working capital (in Rs. lacs) (B)	1,034.56	842.49	
<b>Ratio (times) = (A)/(B)</b>	<b>13.10</b>	<b>20.43</b>	<b>-35.87%</b>
<b>Net profit ratio</b>			
Net profit/(loss) after tax (in Rs. lacs) (A)	(276.43)	697.69	
Revenue from operations (in Rs. lacs) (B)	13,553.25	17,210.84	
<b>Ratio (%) = (A)/(B)</b>	<b>-2.04%</b>	<b>4.05%</b>	<b>-150.31%</b>
<b>Return on capital employed</b>			
Net profit/(loss) before tax (in Rs. lacs)	(419.00)	966.25	
Add: Finance cost (in Rs. lacs)	171.73	256.23	
Earning before interest and taxes (in Rs. lacs) (A)	(247.27)	1,222.48	
Average capital employed (in Rs. lacs) (B)	5,261.14	5,311.29	
<b>Ratio (%) = (A)/(B)</b>	<b>-4.70%</b>	<b>23.02%</b>	<b>-120.42%</b>
<b>Return on investment</b>			
Income earned on investments (in Rs. lacs) (A)	-	-	
Average investments (in Rs. lacs) (B)	-	-	
<b>Ratio (%) = (A)/(B)</b>	<b>NA</b>	<b>NA</b>	<b>0.00%</b>



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**Note: 34 Related Party Information as per Ind AS 24**

**(A) Name of related party and nature of relationship**

Name of related party	Description of relationship
<b>1. Other related parties where common control exists</b>	
A. Patel Alloys #	
Tricot Impex Pvt Ltd #	
<b>2. Key Managerial Personnel</b>	
Ashokbhai Bhalala (resigned w.e.f. 24th August, 2022)	Whole-time Director
Amitbhai Gadhiya	Whole-time Director
Harikrishna Chauhan	Chairman
Ilaben Paghadar	Whole-time Director
Nirala Joshi	Independent Director
Rohitbhai Dobariya	Independent Director
Parshotambhai Vasoya	Independent Director
Pratik M. Makawana (Appointed w.e.f. 09th March, 2022)	CS
Jagdish D. Otradi	CFO
<b>3. Relatives Of Key Managerial Personnel</b>	
Rekhaben Harikrishna Chauhan	
Pooja Amitbhai Gadhiya	
Pravinaben Gohil	
Kishorbhai M. Kikani (resigned w.e.f. 19th October, 2021)	
Ashwin Chavda	
Dineshbhai Paghadar	

# There are no transactions during the year with the above entities

**(B) Transactions with related party**

Name of Related Party	Transaction Amount	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Remuneration to Key Managerial Personnel</b>		
Ilaben Paghdar	7.80	8.40
Amitbhai Gadhiya	12.00	13.00
Kishorbhai M. Kikani	-	2.30
Pratik M. Makawana	3.30	-
Jagdish D. Otradi	3.30	3.93
Harikrishna Chauhan	12.00	13.00
<b>Salary to Relatives of KMP's</b>		
Poojaben Gadhiya	-	0.70
Pravinaben Gohil	4.20	4.99
Rekhaben Chauhan	6.30	7.56
Harry Dineshbhai Paghdar	-	0.25
Kantaben Gadhiya	4.20	4.99



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

<b>Interest paid</b>		
Rekhaben Chauhan	-	10.93
Amitbhai Gadhiya	-	20.16
Harikrishna Chauhan	-	23.53
Ilaben Paghdar	-	14.71
<b>Loan accepted</b>		
Harikrishna Chauhan	43.50	389.09
Ashokbhai Bhalala	-	28.48
Amitbhai Gadhiya	128.87	97.05
Rekhaben Harikrishna Chauhan	-	24.00
<b>Accepted loans repaid</b>		
Ashokbhai Bhalala	-	156.96
Amitbhai Gadhiya	138.67	61.70
Harikrishna Chauhan	173.55	134.60
Ilaben Paghadar	-	10.00
Rekhaben Harikrishna Chauhan	-	34.00
<b>Rent Paid</b>		
Rekhaben Chauhan	-	1.80
Sonalben Sorathiya	-	1.80

**(C) Outstanding Balances with related party**

Name of Related Party	Outstanding balance	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Loans from related parties</b>		
Rekhaben Chauhan	56.89	56.89
Ilaben Pagdhar	79.00	79.00
Rajdeepbhai Patel	25.40	25.40
Amitbhai Gadhiya	126.99	136.79
Ashokbhai Bhalala	-	-
Harikrishna Chauhan	168.15	298.19
<b>Remuneration payable to KMPs</b>		
Ilaben Paghdar	-	1.02
Amitbhai Gadhiya	-	1.37
Harikrishna Chauhan	-	1.21
<b>Other balances- Interest payable</b>		
Rekhaben Chauhan	4.60	4.60
Ilaben Pagdhar	6.38	6.38
Amitbhai Gadhiya	10.27	10.27
Harikrishna Chauhan	18.22	18.22

**(D)** There are no provisions for doubtful debts or amounts written off or written back in respect of debts due to or due from related parties

**(E)** Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**Note: 35 Fair Value Measurements**

**Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

**(A) Financial instruments by category**

31-Mar-23	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>(i) Financial assets</b>						
Investment in equity instruments	-	-	-	-	-	-
Security deposit	-	-	0.75	-	-	-
Trade receivable	-	-	1,213.04	-	-	-
Cash and cash equivalents	-	-	1.74	-	-	-
Bank balances other than cash and cash equivalents	-	-	104.33	-	-	-
Loans	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
	-	-	<b>1,319.86</b>	-	-	-
<b>(ii) Financial liabilities</b>						
Borrowings	-	-	1,767.43	-	-	-
Trade payables	-	-	1,479.07	-	-	-
Other financial liabilities	-	-	130.82	-	-	-
	-	-	<b>3,377.32</b>	-	-	-

31-Mar-22	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>(i) Financial assets</b>						
Investment in debt instruments	-	-	-	-	-	-
Security deposit	-	-	0.75	-	-	-
Trade receivable	-	-	103.51	-	-	-
Cash and cash equivalents	-	-	5.00	-	-	-
Bank balances other than cash and cash equivalents	-	-	82.61	-	-	-
Loans	-	-	0.25	-	-	-
Other financial assets	-	-	-	-	-	-
	-	-	<b>192.12</b>	-	-	-
<b>(ii) Financial liabilities</b>						
Borrowings	-	-	2,564.61	-	-	-
Trade payables	-	-	1,357.79	-	-	-
Other financial liabilities	-	-	127.29	-	-	-
	-	-	<b>4,049.70</b>	-	-	-



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

01-Apr-21	Carrying amount			Fair value		
	FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>[i] Financial assets</b>						
Investment in debt instruments	-	-	31.00	-	-	-
Security deposit	-	-	0.75	-	-	-
Trade receivable	-	-	314.31	-	-	-
Cash and cash equivalents	-	-	8.89	-	-	-
Bank balances other than cash and cash equivalents	-	-	155.21	-	-	-
Loans	-	-	1.35	-	-	-
Other financial assets	-	-	-	-	-	-
	-	-	511.52	-	-	-
<b>[ii] Financial liabilities</b>						
Borrowings	-	-	2,509.20	-	-	-
Trade payables	-	-	751.32	-	-	-
Other financial liabilities	-	-	83.39	-	-	-
	-	-	3,343.91	-	-	-

**(B) FAIR VALUE HEIRARCHY**

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company has made certain judgements and estimates in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company as classified the financial instruments into three levels prescribed under the accounting standard. An explanation of each level is

Level 1: Level 1 of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Level 2 heirarchy includes financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-

Level 3: If one or more of the significant inputs is not based on the observable market data, the instrument is included in Level 3 heirarchy.

**(C) VALUATION TECHNIQUES**

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices for mutual funds
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis or such other acceptable valuation methodology, wherever applicable

There are no items in the financial instruments, which required level 3 valuation.

**Note: 36 Capital Management**

The Company policy is to have robust financial base so as to maintain outsider's confidence and to sustain future development of the business. Management monitors the return on capital, as well as level of dividends to equity shareholders. The company monitors capital using a ratio of "adjusted net debt" to "equity". For this purpose, adjusted net debt is defined as total liability, comprising interest-bearing loans and borrowing, less cash and cash equivalents. Total Equity includes the share capital, other equity.

The capital gearing ratio is as follows:

Particulars	31-Mar-23	31-Mar-22	01-Apr-21
Borrowings (Incl. Current Maturity)	1,767.43	2,564.61	2,509.20
Less: Cash and Cash Equivalents	(1.74)	(5.00)	(8.89)
<b>Adjusted Net Debt (A)</b>	<b>1,765.69</b>	<b>2,559.61</b>	<b>2,500.31</b>
Equity Share Capital	2,499.90	2,499.90	2,499.90
Other Equity	1,564.25	1,823.46	1,125.77
<b>Total Equity (B)</b>	<b>4,064.15</b>	<b>4,323.36</b>	<b>3,625.67</b>
<b>Adjusted Net Debt to Total Equity ratio (A/B)</b>	<b>0.43</b>	<b>0.59</b>	<b>0.69</b>



**Note: 37 Financial Risk Management**

The Company's business activities are exposed to a variety of financial risks, viz liquidity risk, market risk and credit risk. The Management of the Company has the overall responsibility for establishing and governing the Company's risk policy framework. The risk management policies are formulated after the identification and analysis of the risks and suitable risk limits and controls are set which are monitored & reviewed periodically. The changes in the market conditions and allied areas are accordingly reflected in the changes of the policy. The key risks and mitigating actions are placed before the Audit Committee of the Company who then evaluate and take the necessary corrective action. The sources of risk, which the Company is exposed to and how the Company manages these risks with their impact on the Financial Statements is given below:

Risk	Exposure from	Measurement	Management
Credit risk	Trade receivables, Cash and cash	Aging analysis, Credit ratings	Credit limits and bank guarantees
Liquidity risk	Borrowings, Trade payables and other liabilities	Cash flow budgeted Vs actuals	Availability of committed credit lines and borrowing facilities
Market risk - Foreign Currency	Foreign currency receivables and payables; Forecasted foreign currency transactions	Cash flow forecasting and Sensitivity analysis	Insignificant foreign currency exposure
Market risk - Interest rate	Long-term borrowings at variable interest rates	Sensitivity analysis	The management monitors the rates of interests and continues to evaluate refinancing of debts at lower rates of interest on a regular basis.

**[A] Credit risk**

Credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables). However, the credit risk on account of financing activities, i.e., balances with banks is very low, since the Company holds all the balances with approved bankers only.

**Trade receivables**

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the customers outstanding balances to which the Company grants credit terms in the normal course of business. Concentration of credit risk with respect to trade receivables are limited, as the Company's customer base is large, reputed and having good credit credential as well as that they are long standing customers. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived

**[B] Liquidity risk**

Liquidity risk is the risk the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Management considers both normal and stressed conditions.

**Maturities of financial liabilities**

The below table analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows, balances due within 12 months equal their carrying balances as the impact of discounting is not significant.



**Akshar Spintex Limited**
**Notes to the Financial Statements for the year ended March 31, 2023**
**Note: 38 Segment Information :**
**(a) Primary segment**

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

**Note: 39 The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS is given below**

(Rs. In lakhs)	
Particulars	Year Ended on 31.03.2022
<b>Net Profit for the period under Previous Indian GAAP</b>	<b>697.69</b>
Add: Reclassification of defined benefit plans to other comprehensive income	4.67
<b>Net Profit for the period under Ind AS</b>	<b>702.36</b>
<b>Other Comprehensive Income</b>	
Remeasurements of defined benefit plans	(4.67)
<b>Total Comprehensive Income under Ind AS</b>	<b>697.69</b>

**Reconciliation of other equity between previous GAAP and Ind AS**

(Rs. In lakhs)		
Particulars	As st 31.03.2022	As st 01.04.2021
<b>Other Equity under previous GAAP</b>	<b>1,823.46</b>	<b>1,125.77</b>
<b>Other Equity under Ind AS</b>	<b>1,823.46</b>	<b>1,125.77</b>

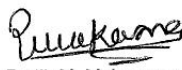
**Note: 40**

- Figures of previous reporting periods have been regrouped/reclassified wherever necessary to correspond with the figures of the current reporting period.
- The outstanding balance as on year end in respect of trade receivables, trade payables, loans and advances and other payables, and other receivables, if any, are subject to confirmation from respective parties and consequential reconciliation and/or adjustments arising there from, if any. Management of the Company, however, does not expect any
- According to the opinion of the management of the Company, the value of realization of trade and other receivables and loans and advances given in the ordinary course of the business, if any, would not be less than the amount at which they are stated in the balance sheet.

**As per our Report of even date**
**For H B Kalaria & Associates  
Chartered Accountants  
FRN : 104571W**

**Hasmukh B Kalaria  
Partner  
Membership No.: 042002**

Rajkot, May 27, 2023

**For and on behalf of the Board of Directors,**
  
**Amit V. Gadhiya  
Managing Director  
DIN: 06604671**
  
**Pratik M. Makawana  
CS  
PAN: BJHPM5951K**

Haripar, May 27, 2023

  
**Harikrishna Chauhan  
Whole Time Director  
DIN:07710106**
  
**Jagdish D. Otradi  
CFO  
PAN: ABFP07856C**




**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Background**

Akshar Spintex Limited ('the Company') incorporated in India is a manufacturing and trading of spun cotton yarn.

**2. Significant Accounting Policies followed by the Company**

**A. Basis of preparation**

**(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

**(ii) Historical cost convention**

The Ind AS financial statements have been prepared on an accrual basis under historical cost convention basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**(iv) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**B. Use of estimates and judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**C. Segment reporting:**

Geographical segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

**D. Foreign currency translation**

**(i) Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the Company operates) and items included in the financial statements of the Company are measured using that functional currency.



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

**(ii) Transactions and balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated into the Company's functional currency of the entity at the rates prevailing on the reporting date. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

**E. Revenue recognition**

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, loyalty discount; indirect taxes and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

**Sale of goods**

Sales are recognised when substantial risk and rewards of ownership are transferred to customer. In case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally sales take place when goods are shipped onboard based on bills of lading.

**Other operating revenue**

Interest on investments and deposits is booked on a time-proportion basis taking into account the amounts invested and the rate of interest.

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

**F. Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively

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

**G. Impairment of non-financial assets**

Property, plant and equipments (PPE) and Intangible assets (IA) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**H. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**I. Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment, if any.

**J. Inventories**

Inventories of raw materials, work-in-progress, stores and spares, finished goods and stock-in-trade are stated at cost or net realisable value, whichever is lower. Goods-in-transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. A cost formula used is



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

'First-in-First-out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**K. Investments and other financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.
- (2) **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

**Equity instruments:**

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

**(iii) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(iv) Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method.



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

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**Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

**L. Property, plant and equipment**

Property, plant and equipment are measured at cost/deemed cost, less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated attributable costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipments is provided on Straight-line basis, over the estimated useful lives of assets. The Company depreciates its Property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**M. Investment properties**

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

**N. Intangible assets**

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured. Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

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expenditures required to obtain the expected future cash flows from the asset.

**Computer software**

Computer software is stated at cost, less accumulated amortisation and impairments, if any.

**Amortisation method and useful life**

The Company amortizes computer software using the straight-line method over the period of 3 years.

**O. Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income.

**P. Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.. Other interest and borrowing costs are charged to Statement of Profit and Loss.

**Q. Provisions and contingent liabilities**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

Contingent liabilities and capital commitments disclosed are in respect of items which in each case are above the threshold limit.

**R. Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other



**Akshar Spintex Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2023**

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comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined Contribution Plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**S. Earnings Per Share**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**(ii) Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.





**Akshar Spintex Limited**
**Notes to the Financial Statements for the year ended March 31, 2023**
**Note: 3 Property, Plant & Equipments**

(Rs. in lakhs)

Fixed Assets	Gross Carrying Amount			Accumulated Depreciation/Amortisation				Net Carrying Amount		
	As at 1st April, 2022	Additions	Adjustment/ Deduction	As at 31st March, 2023	As at 1st April, 2022	For the year	Adjustment/ Deduction	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
<b>Tangible Assets</b>										
Land	63.60	-	-	63.60	-	-	-	-	63.60	63.60
Buildings	1,103.20	0.98	-	1,104.17	241.50	34.95	-	276.45	827.73	861.70
Plant and Equipment	5,774.96	0.55	-	5,775.53	2,470.94	365.78	-	2,836.73	2,938.81	3,304.04
Furniture and Fixtures	26.97	-	-	26.97	14.02	2.56	-	16.58	10.39	12.96
Vehicles	26.34	19.43	-	45.77	4.10	5.34	-	9.44	36.33	22.23
Computer	17.05	0.61	-	17.65	14.00	1.51	-	15.52	2.14	3.05
Office Equipments	164.17	0.66	-	164.83	110.57	16.82	-	127.38	37.45	53.60
<b>Total :</b>	<b>7,176.30</b>	<b>22.24</b>	<b>-</b>	<b>7,198.53</b>	<b>2,855.13</b>	<b>426.97</b>	<b>-</b>	<b>3,282.09</b>	<b>3,916.44</b>	<b>4,321.17</b>

**Note: 3 Property, Plant & Equipments**

(Rs. in lakhs)

Fixed Assets	Gross Carrying Amount			Accumulated Depreciation/Amortisation				Net Carrying Amount		
	As at 1st April, 2021	Additions	Adjustment/ Deduction	As at 31st March, 2022	As at 1st April, 2021	For the year	Adjustment/ Deduction	As at 31st March, 2022	As at 31st March, 2022	As at 1st April, 2021
<b>Tangible Assets</b>										
Land	63.60	-	-	63.60	-	-	-	-	63.60	63.60
Buildings	1,058.80	44.39	-	1,103.20	207.28	34.22	-	241.50	861.70	851.53
Plant and Equipment	5,709.12	65.87	-	5,774.98	2,107.77	363.18	-	2,470.94	3,304.04	3,601.35
Furniture and Fixtures	24.62	2.35	-	26.97	11.51	2.51	-	14.02	12.96	13.11
Vehicles	25.01	17.56	16.24	26.34	10.97	3.89	10.77	4.10	22.23	14.04
Computer	15.30	1.75	-	17.05	13.15	0.85	-	14.00	3.05	2.15
Office Equipments	156.80	7.37	-	164.17	94.03	16.54	-	110.57	53.60	62.77
<b>Total :</b>	<b>7,053.24</b>	<b>139.30</b>	<b>16.24</b>	<b>7,176.30</b>	<b>2,444.70</b>	<b>421.19</b>	<b>10.77</b>	<b>2,855.13</b>	<b>4,321.17</b>	<b>4,608.54</b>



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**Note: 4 Non Current Investments**

(Rs. In lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022		As at 1st April, 2021	
	nos of units	Amount	nos of units	Amount	nos of units	Amount
Investment in Debt Instruments: (fully paid, at cost) <b>Quoted:</b> SBI Corporate Bond Fund - Regular Plan Growth	-	-	-	-	3.03	31.00
<b>Total</b>	-	-	-	-	<b>3.03</b>	<b>31.00</b>
Aggregate Market Value of quoted investments		-		-		<b>36.65</b>

**Note: 5 Other Non-Current Financial Assets**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
(Unsecured, considered good)			
Security Deposits	0.75	0.75	0.75
Bank Fixed Deposit (having maturity period more than 12 months)	104.33	82.61	155.21
<b>Total</b>	<b>105.08</b>	<b>83.36</b>	<b>155.96</b>

**Note: 6 Inventories**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Raw Materials	808.31	2,514.44	926.10
Work-in-Progress	350.55	423.41	288.59
Finished Goods	577.11	351.51	324.30
Other Inventories - Stock in trade	1.71	28.87	25.36
<b>Total</b>	<b>1,737.68</b>	<b>3,318.23</b>	<b>1,564.35</b>

**Note: 7 Trade Receivables**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	112.57	9.03	9.34
<b>Sub total</b>	<b>112.57</b>	<b>9.03</b>	<b>9.34</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment			
Unsecured, considered good	1,100.47	94.48	304.97
<b>Total</b>	<b>1,213.04</b>	<b>103.51</b>	<b>314.31</b>



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**7.1 Trade receivables ageing schedule**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
<b>(Outstanding for the following periods from the date of transaction)</b>			
<b>Unsecured</b>			
Undisputed trade receivables - considered good			
Less than 6 months	1,100.47	94.48	311.31
6 months - 1 year	109.57	6.03	3.00
1-2 years	-	3.00	-
2-3 years	3.00	-	-
More than 3 years	-	-	-
<b>Total</b>	<b>1,213.04</b>	<b>103.51</b>	<b>314.31</b>

**Note: 8 Cash and Cash Equivalents**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
<b>Bank Balances:-</b>			
In Current Account	0.20	0.20	1.53
Cash on hand	1.54	4.80	7.36
<b>Total</b>	<b>1.74</b>	<b>5.00</b>	<b>8.89</b>

**Note: 9 Loans - Current**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
<b>(Unsecured and Considred Good)</b>			
Loans to Employees	-	0.25	1.35
<b>Total</b>	<b>-</b>	<b>0.25</b>	<b>1.35</b>

**Note: 10 Other Current Assets**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Statutory Receivable (net)	48.77	87.27	77.20
Advances to Suppliers	407.03	1,073.35	32.02
Capital Advances	-	0.25	-
Advances Recoverable in Cash or in Kind	3.94	4.04	5.66
Prepaid Expenses	7.05	7.90	5.53
Government grants receivable	176.18	283.60	223.48
<b>Total</b>	<b>642.97</b>	<b>1,456.41</b>	<b>385.61</b>



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**Note:11 Equity Share Capital**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
<b>Authorised</b> 2,50,00,000 Equity Shares of Rs. 10/- each.	2,500.00	2,500.00	2,500.00
	<b>2,500.00</b>	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed &amp; Paid up</b> 2,49,99,000 Equity Shares of Rs. 10/- each, Fully paid up	2,499.90	2,499.90	2,499.90
<b>Total</b>	<b>2,499.90</b>	<b>2,499.90</b>	<b>2,499.90</b>

**11.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the year:-**

Particulars	No. of Shares	As at 31st March, 2023	No. of Shares	As at 31st March, 2022	No. of Shares	As at 1st April, 2021
	(In Nos.)	(Rs. In lakhs)	(In Nos.)	(Rs. In lakhs)	(In Nos.)	(Rs. In lakhs)
Shares outstanding at beginning of the year	24,999,000	2,499.90	24,999,000	2,499.90	24,999,000	2,499.90
<b>Shares outstanding at end of the year</b>	<b>24,999,000</b>	<b>2,499.90</b>	<b>24,999,000</b>	<b>2,499.90</b>	<b>24,999,000</b>	<b>2,499.90</b>

**11.2 The details of Equity Shareholders holding more than 5% shares:**

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022		As at 1st April, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Amit Vallabhghai Gadhiya	1,838,100	7.35%	1,838,100	7.35%	1,820,100	7.28%
Ashokbhai Sukanbhai Bhalala	-	0.00%	-	0.00%	1,530,000	6.12%
Nipaben Vikashbhai Sorathiya	-	0.00%	-	0.00%	1,938,500	7.75%
Harikrishna Shamjibhai Chauhan	2,695,000	10.78%	1,930,000	7.72%	600,000	2.40%
Ilaben Dineshbhai Paghdar	1,007,676	4.03%	1,824,000	7.30%	1,602,000	6.41%
Pravinbhai Shukanbhai Bhalala	-	0.00%	-	0.00%	1,330,000	5.32%
Rekhaben Harikrishna Chauhan	4,442,500	17.77%	3,690,000	14.76%	2,160,000	8.64%
Sonal Prakashkumar Sorathia	1,794,867	7.18%	1,936,500	7.75%	1,936,500	7.75%
Narmadaben Shamjibhai Chauhan	-	0.00%	1,530,000	6.12%	290,000	1.16%

**11.3 Details of shares held by promoters at the end of the year**

Name of the Promoters	As at 31st March, 2023			As at 31st March, 2022		
	No. of Shares held	% of Holding	% change	No. of Shares held	% of Holding	% change
Harikrishna Shamjibhai Chauhan	2,695,000	10.78%	3.06%	1,930,000	7.72%	5.32%
Rekhaben Harikrushnabhai Chauhan	4,442,500	17.77%	3.01%	3,690,000	14.76%	6.12%
Ashok Shukan Bhalala	-	-	-	-	0.00%	-6.12%
Amit Vallabhghai Gadhiya	1,838,100	7.35%	0.00%	1,838,100	7.35%	0.07%

Name of the Promoters	As at 1st April, 2021		
	No. of Shares held	% of Holding	% change
Harikrishna Shamjibhai Chauhan	600,000	2.40%	0.00%
Rekhaben Harikrushnabhai Chauhan	2,160,000	8.64%	0.00%
Ashok Shukan Bhalala	1,530,000	6.12%	0.00%
Amit Vallabhghai Gadhiya	1,820,100	7.28%	0.00%



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

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

**Note: 12 Other Equity**

Particulars	(Rs. In lakhs)		
	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
<b>Reserves and Surplus</b>			
<b>A. Securities Premium</b>			
Opening Balance	299.70	299.70	299.70
Balance as at year end	<b>299.70</b>	<b>299.70</b>	<b>299.70</b>
<b>B. Retained Earnings</b>			
Opening balance	1,502.27	799.91	701.18
(+) Net Profit for year	(276.43)	702.36	98.73
Balance as at year end	<b>1,225.83</b>	<b>1,502.27</b>	<b>799.91</b>
<b>C. Other Comprehensive Income</b>			
Opening balance	21.49	26.16	0.64
(+) Changes during the year	17.22	(4.67)	25.52
Balance as at year end	<b>38.72</b>	<b>21.49</b>	<b>26.16</b>
<b>Total</b>	<b>1,564.25</b>	<b>1,823.46</b>	<b>1,125.77</b>

**Note: 13 Borrowings-Non Current**

Particulars	(Rs. In lakhs)		
	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
<b>Secured</b>			
Term loans from banks	363.13	554.62	906.25
Vehicle Loan from Banks	11.65	7.95	1.52
<b>Unsecured</b>			
Loans from Directors and Relatives	456.42	596.27	454.91
<b>Total</b>	<b>831.20</b>	<b>1,158.84</b>	<b>1,362.67</b>

**13.1 Terms of Repayment of Loans:**

Financier/ Category	Nature of security	Terms of Repayment	Rate of Interest
Rupee loans from banks	Hypothecation of plant & machinery and equipments of Company and mortgage of land and buildings situated at Plot No. 2, Survey No. 102/2, Vill Haripar, Tal: Kalawad, Dist Jamnagar	Repayable in 44-47 Installments	8.30% - 9.15%
Vehicle loans	Hypothecation of the respective vehicle	Repayable in 36 Installments	8.30%
Loans from Directors and Relatives	Unsecured	Repayment schedule not specified	0.00%



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**Note: 14 Deferred Tax Liability / (Asset)**

Particulars	(Rs. In lakhs)		
	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Deferred Tax Liability on account of : (I) Depreciation	416.41	432.85	434.86
	<b>416.41</b>	<b>432.85</b>	<b>434.86</b>
Deferred Tax Assets on account of :			
(I) Gratuity	3.95	7.40	3.27
(II) Unabsorbed depreciation	91.87	-	163.01
	<b>95.82</b>	<b>7.40</b>	<b>166.29</b>
Less: MAT Credit	347.57	315.93	262.43
<b>Total</b>	<b>(26.98)</b>	<b>109.53</b>	<b>6.14</b>

**Note: 15 Long term provisions**

Particulars	(Rs. In lakhs)		
	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
<b>Provision for employee benefits:</b>			
Gratuity	10.64	24.55	11.80
<b>Total</b>	<b>10.64</b>	<b>24.55</b>	<b>11.80</b>

**Note: 16 Borrowings- Current**

Particulars	(Rs. In lakhs)		
	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Current Maturities of Long Term Debts	190.74	650.96	646.40
<b>Secured</b>			
Working Capital Loans from banks	745.49	754.81	500.13
<b>Total</b>	<b>936.23</b>	<b>1,405.77</b>	<b>1,146.52</b>

**16.1 Terms of Repayment**

Financier/ Category	Nature of security	Terms of Repayment	Rate of Interest
Working capital loans from banks	Hypothecation of the current and movable assets of the Company	Repayable on demand	10.30%

**Note: 17 Trade Payables**

Particulars	(Rs. In lakhs)		
	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Micro, Small and Medium Enterprises *			
Others			
For Raw material & Packing Material	1,349.06	1,339.77	713.55
For Expenses & Others	130.00	18.02	37.77
<b>Total</b>	<b>1,479.07</b>	<b>1,357.79</b>	<b>751.32</b>

\*Note : Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosure are required to be made for enterprises which are covered under the Act. Since the company is in a process of compiling relevant information from its suppliers about their coverage under the said Act, no disclosures have been made. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**17.1 Trade payables ageing schedule**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
<b>(Outstanding for the following periods from the date of transaction)</b>			
<u>Undisputed trade payables - other than MSMEs</u>			
Less than 1 year	1,470.43	1,355.48	745.48
1-2 years	7.37	1.72	4.71
2-3 years	0.19	0.55	0.02
More than 3 years	1.08	0.04	1.10
<b>Total</b>	<b>1,479.07</b>	<b>1,357.79</b>	<b>751.32</b>

**17.2** The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the co. is as under:

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
Principal amount due and remaining unpaid at the year	-	-	-
Interest due on above and remaining unpaid interest at the	-	-	-
Interest paid other than sec 16 beyond the appointed day during the year	-	-	-
Principal amount paid beyond the appointed day during the	-	-	-
Interest paid under sec 16 beyond appoint day during the	-	-	-
Interest due and payable for payment already made	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

**Note: 18 Other Financial Liabilities - Current**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Interest accrued but not due on borrowings	39.47	39.47	14.80
Capital Creditors	0.20	1.28	5.15
Employee Related Liabilities	91.15	86.55	63.44
<b>Total</b>	<b>130.82</b>	<b>127.29</b>	<b>83.39</b>

**18.1** There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31st March, 2023

**Note: 19 Other Current Liabilities**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Statutory Dues	88.00	22.94	29.57
Advance from Customers	48.37	644.41	0.20
<b>Total</b>	<b>136.37</b>	<b>667.35</b>	<b>29.77</b>

**Note: 20 Short Term Provisions**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Provision for Expenses	51.05	45.43	51.93
<b>Provision for Employee Benefits:</b>			
Gratuity	4.53	3.89	0.80
<b>Total</b>	<b>55.58</b>	<b>49.32</b>	<b>52.73</b>

**Note: 21 Current Tax Liabilities (Net)**

(Rs. In lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 1st April, 2021
Provision for Income-tax	-	64.11	-
<b>Total</b>	<b>-</b>	<b>64.11</b>	<b>-</b>



**Akshar Spintex Limited**
**Notes to the Financial Statements for the year ended March 31, 2023**
**Note: 22 Revenue from Operations**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products	13,655.54	17,251.94
Other Operating Revenue	(102.29)	(41.10)
<b>Total</b>	<b>13,553.25</b>	<b>17,210.84</b>

**Note: 23 Other Income**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest on Financial Assets</b>		
On Bank Fixed Deposits	5.46	6.48
<b>Other Gain and Losses</b>		
Gain/(Loss) on Investments	-	6.78
Income from government grants/subsidies	233.45	331.44
Miscellaneous Income	-	1.68
<b>Total</b>	<b>238.91</b>	<b>346.38</b>

**Note: 24 Cost of Materials Consumed**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Inventory	2,514.44	926.10
Add : Purchase	10,100.14	13,841.28
Less : Closing Inventory	808.31	2,514.44
<b>Total</b>	<b>11,806.26</b>	<b>12,252.94</b>

**Note: 25 Purchase of Stock in Trade**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock in Trade	348.72	1,659.31





**Akshar Spintex Limited**
**Notes to the Financial Statements for the year ended March 31, 2023**
**Note: 26 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventories (at close):</b>		
Work-in-Process	350.55	423.41
Finished Goods	577.11	351.51
Other Inventories- Stock in trade	1.71	28.87
	<b>929.36</b>	<b>803.79</b>
<b>Inventories (at commencement):</b>		
Work-in-Process	423.41	288.59
Finished Goods	351.51	324.30
Other Inventories- Stock in trade	28.87	25.36
	<b>803.79</b>	<b>638.25</b>
<b>Total</b>	<b>(125.58)</b>	<b>(165.54)</b>

**Note: 27 Employee benefit expenses**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages	490.96	734.64
Contributions to -		
Provident fund, Superannuation scheme & Other funds	13.68	14.77
Staff welfare expenses	-	0.42
<b>Total</b>	<b>504.63</b>	<b>749.83</b>



**Akshar Spintex Limited**
**Notes to the Financial Statements for the year ended March 31, 2023**

27.1 Employee Benefits, the disclosures as defined in the Accounting Standard are given below:

**Defined Benefit Gratuity Plan:**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(I) Amount Recognised in Balance Sheet</b>		
Present value of unfunded Obligations	15.18	28.45
Present value of funded Obligations	-	-
Fair Value of plan assets	-	-
<b>Net Liability (asset)</b>	<b>15.18</b>	<b>28.45</b>
<b>(II) Amounts to be recognised in Profit and Loss Account</b>		
<b>Service Cost</b>		
Current Service Cost	8.51	10.55
Past Service Cost	-	-
Curtailment and settlement	-	-
Net Interest Cost	1.50	0.63
Total included in Employees Expenses	<b>10.01</b>	<b>11.18</b>
Expenses Deducted from the Fund	-	-
<b>Total Charged to profit and loss</b>	<b>10.01</b>	<b>11.18</b>
<b>(III) Other Comprehensive Income for the Period</b>		
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	0.43	-0.52
Due to change in demographic assumption	-	-
Due to Experience Adjustments	(23.71)	5.19
Return on planned assets excluding amounts included in interest income	-	-
<b>Amount Recognised in Other Comprehensive Income</b>	<b>-23.28</b>	<b>4.67</b>
<b>(IV) Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	28.45	12.59
Interest cost	1.50	0.63
Components of actuarial gain/loss on obligation		
Due to Change in Financial Assumption	0.43	-0.52
Due to change in demographic assumption	-	-
Due to Experience Adjustments	-23.71	5.19
Current Service Cost	8.51	10.55
Loss/Gain on Curtailment	-	-
Liabilities Extinguished on settlement	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange difference of foreign plan	-	-
Benefits Paid	-	-
<b>Closing Defined Benefit Obligation</b>	<b>15.18</b>	<b>28.45</b>
<b>(V) Assumptions:</b>		
Discount Rate (per annum)	7.30%	5.65%
Rate of Increase in Salary	7.00%	7.00%
Withdrawal Rate	Age 25 & Below and 55 & above : 30% p.a.	Age 25 & Below and 55 & above : 30% p.a.



**Akshar Spintex Limited**
**Notes to the Financial Statements for the year ended March 31, 2023**
**Note: 28 Finance Cost**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Expenses		
On Long Term Loan	80.74	187.98
On Short Term Loan	75.08	53.51
On Other Borrowing and/or late payments	10.62	0.10
Other Borrowing Costs	5.30	14.64
<b>Total</b>	<b>171.73</b>	<b>256.23</b>

**Note: 29 Other Expenses**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Direct Expenses</b>		
Stores and Spares Consumed	95.12	136.80
Power and Fuel	1.32	2.16
Electricity Expense	830.02	1,119.27
Job work Charges	14.04	-
<b>Indirect Expenses</b>		
Office Electricity Expense	0.19	0.23
Rent Expense	-	3.60
Freight Expenses	-	5.56
Factory and Other Expenses	3.47	4.88
Repairs to Others	10.01	9.59
Insurance	16.10	13.56
Rates and Taxes	0.79	1.12
Telephone and Postage	0.82	0.94
Printing and Stationery	1.10	1.02
Donation and Other Subscriptions	0.05	-
Registration and Filing Fees	22.04	5.11
Legal & Professional Fees	8.97	14.53
Bank charges	13.94	1.58
Travelling and Conveyance	0.12	2.27
Payments to Auditors	4.66	3.20
Advertising and sales promotion expenses	1.73	0.68
Vehicle running expenses	12.53	14.34
Safety and Security Expense	8.74	11.77
Information Technology Expense	1.43	1.27
Payment for Technical Services	0.27	0.88
Commission to Selling Agents	27.26	50.73
CSR Expense	2.92	-
Loading and Unloading Cost	0.13	-
Bad Debts	0.25	6.44
Loss on Sale of Asset	-	1.97
Miscellaneous Expenses	0.39	1.56
<b>Total</b>	<b>1,078.42</b>	<b>1,417.01</b>



**Akshar Spintex Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**29.1 Details of Stores and Spares Consumed**

(Rs. In lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Imported	-	-
Indigenous	95.12	136.80
<b>Total</b>	<b>95.12</b>	<b>136.80</b>

**29.2 Expenditure incurred on Corporate Social Responsibility Activities**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross amount required to be spent by the company during the year	2.92	-
Amount spent during the year on :		
Construction/ Acquisition of any asset	-	-
On purpose other than above	-	-
Amount of shortfall at the end of the year	2.92	-
Total of previous year shortfall	-	-
Nature of CSR activity	NA	NA
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

**29.3 Payments to Auditors as:**

(Rs. In Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory Auditors :		
i) Audit Fees	4.00	2.90
ii) For Taxation matters	-	-
iii) For others	-	-
<b>Sub Total</b>	<b>4.00</b>	<b>2.90</b>
Cost Auditors :		
i) As auditors	0.66	0.30
<b>Total</b>	<b>4.66</b>	<b>3.20</b>



**Akshar Spintex Limited**
**Notes to the Financial Statements for the year ended March 31, 2023**
**Note: 30 Income Tax**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Net Tax Expenses</b>		
Current tax	-	160.51
MAT credit availed / (entitlement)	-	-44.21
Deferred tax liability/(assets)	(110.92)	156.89
Prior Period Tax	(31.64)	-9.29
	<b>-142.57</b>	<b>263.89</b>
<b>Reconciliation of tax expense and the accounting profit computed by applying the income tax rate</b>		
Profit/ (loss) before tax	-419.00	966.25
India's statutory income tax rate	26.00%	27.82%
<b>Expected income tax expense as per applicable taxes</b>	<b>-108.94</b>	<b>268.81</b>
Non-deductibles expenses	12.92	2.23
Prior Period Tax	31.64	9.29
Changes due to brought forward tax losses	-	-174.42
Difference due to different tax rate	(34.82)	107.54
Others	(43.37)	50.44
<b>Total</b>	<b>(142.57)</b>	<b>263.89</b>

**Note: 31 Earnings Per Share (EPS)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. In lakhs)	(276.43)	702.36
Weighted average number of shares considered for calculating EPS (In Nos.)	24,999,000	24,999,000
Basic Earnings per share (Rs.)	(1.11)	2.81
Diluted Earnings per share (Rs.)	(1.11)	2.81
Face Value per equity share (Rs.)	10.00	10.00

**Note: 32 Contingent Liabilities not provided for in respect of**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax matters in dispute in respect of Assessment dues before CIT (Appeal) for A.Y. 2018-19.	119.16	119.16



**Independent Auditor's Report**

To the Members of **Akshar Spintex Limited**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Akshar Spintex Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report except as stated in the Emphasis of Matters para below.



**Emphasis of Matter**

We draw your attention to Note 2.5 of the section Summary of Significant Accounting Policies where the Company has not complied with the provisions of AS 15 – Employee Benefits with respect to creating a provision for leave encashment expense payable to its employees. The Company determines the liability for defined benefit plans on actual payment basis only.

The Company's management is responsible for carrying out the inspection of its inventories on a regular basis. We have not independently verified the inventories of the Company during the year under review. Any adjustment to the value of inventories as appearing in the balance sheet of the Company may have an effect on the profit and net assets of the Company for the period and year ended March 31, 2022.

The Company's management is responsible for carrying out the balance confirmation and reconciliations with various debtors, creditors and advances. These have not been independently verified by us during the year under review. Any adjustment to the value of such balances as appearing in the balance sheet of the Company may have an effect on the profit and net assets of the Company for the period and year ended March 31, 2022.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**Responsibility of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;



- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d.
1. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  2. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (1) and (2) above, contain any material misstatement.





e. The Company has not paid any dividends during the year and hence, the provisions of Section 123 of the Act are not applicable to the Company.

Place: Rajkot  
Date: 21/05/2022

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



  
(Hasmukh Kalaria)  
Partner  
Mem. No. 042002  
UDIN: 22042002AJISSM6288

## Annexure A

Referred to in the section Report on Other Legal and Regulatory Requirements on of the Independent Auditors' Report of even date to the members of Akshar Spintex Limited on the financial statements as of and for the year ended March 31, 2022

- (i)
- (a) In respect of its property, plant, and equipment:
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company does not have any intangible assets and hence, is not required to maintain records for the same.
- (b) The Company has a programme of verification of property, plant and equipment to cover all the items in a phased manner over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment and investment property were physically verified by the Management during the current reporting period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its property, plant and equipment during the reporting period and hence, clause (i)(d) of the Order is not applicable.
- (e) As explained to us by the management of the Company, there have not been any proceedings initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder during the current reporting period or as at the balance sheet date.
- (ii)
- (a) We have not been provided with the records of inventory verification done by the management of the company during the reporting period. Hence, we are unable to comment on whether there were any material discrepancies noticed by the management and whether the same have been dealt with in the books of accounts of the Company during the reporting period.
- (b) In our opinion and according to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets; the quarterly returns/statements filed by the Company with the banks during the reporting period are not in agreement with the books of accounts of the Company. The details regarding such



reconciliation is as disclosed in note [31.1] of the financial statements.

- (iii) According to the information and explanations given to us, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence clause (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans, investments or provided any guarantees and hence, the provisions of Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the current reporting period in terms of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In our opinion and according to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities apart from a few delays in the payment of professional tax.

There were undisputed amounts payable in arrears as at the balance sheet date for a period of more than six months from the date they became payable. The details of which are as follows:

Name of statute	Nature of dues	Amount unpaid (in Rs. lacs)	Period to which the amount relates	Due date of payment	Actual date of payment
Gujarat Professional Tax Act	Professional Tax	4,97,320	F.Y. 2020-21	Monthly	Not paid till date of report
Gujarat Professional Tax Act	Professional Tax	5,09,330	F.Y. 2021-22	Monthly	Not paid till date of report



- (b) Details of statutory dues which have not been deposited as at the balance sheet date on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute pending	Period to which the amount relates	Gross amount due (in Rs. lacs)	Amount unpaid (in Rs. lacs)
The Income Tax Act, 1961	Income Tax	The Commissioner of Income tax (Appeals)	A.Y. 2018-19	119.15	119.15

- (viii) According to the information and explanations given to us, the Company does not have any transactions, which were not recorded in the books of accounts and which have been surrendered or disclosed as income during the current reporting period in the tax assessments under the Income-tax Act, 1961.

- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks. The Company has not taken any loans or borrowings from the government.

- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared as a willful defaulter by any bank or financial institution or other lender during the reporting period.

- (c) The Company has obtained term loans during the current reporting period which, in our opinion and according to the information and explanations given to us, have been utilized for their stated purpose(s).

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we believe that no funds raised on short-term basis have been used for long-term purposes by the Company. We have however not made a detailed examination of the same.

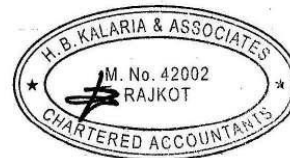
- (e) The Company does not have any associate, subsidiary or joint venture and hence, clause (ix)(e) of the Order is not applicable.

- (f) The Company does not have any associate, subsidiary or joint venture and hence, clause (ix)(f) of the Order is not applicable.

- (x) (a) During the current reporting period, the Company has not raised funds by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause (x)(a) of the Order is not applicable to the Company.



- (b) During the current reporting period, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the current reporting period.
- (b) To the best of our knowledge and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) To the best of our knowledge and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the current reporting period.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under review during our audit of the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the current reporting period the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company, if any or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the current reporting period and hence, is not required to obtain a Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India.





- (d) The Company does not have any Group companies and hence, clause (xvi)(d) of the Order is not applicable to the Company.
- (xvii) In our opinion, the Company has not incurred any cash losses during the current reporting period and in the immediately preceding reporting period.
- (xviii) There has not been any resignation of the statutory auditors during the current reporting period under review.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion section 135 of the Companies Act, 2013 is not applicable to the Company and hence clause (xx) of the Order is not applicable.
- (xxi) Clause (xxi) of the CARO, 2020 is not applicable in the report on the standalone financial statements of the Company.

Place: Rajkot  
Date: 21/05/2022

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





(Hasmukh Kalaria)  
Partner  
Mem. No. 042002  
UDIN: 22042002AJISSM6288

## Annexure B

**Referred to in point f. of the section Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Akshar Spintex Limited on the financial statements for the year ended March 31, 2022**

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

In conjunction with our audit of the financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over the financial reporting of Akshar Spintex Limited ("the Company") as of that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect of financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Place: Rajkot  
Date: 21/05/2022

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



Chartered Accountants

*H. B. Kalaria*  
(Hasmukh Kalaria)

Partner

Mem. No. 042002

UDIN: 22042002AJISSM6288


**Akshar Spintex Limited**  
Balance Sheet as at March 31, 2022

Particulars	Note	(In Rs. lacs)	
		As at March 31, 2022	As at March 31, 2021
<b>I. Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,499.90	2,499.90
Reserves and surplus	4	1,823.46	1,125.77
Money received against share warrants		-	-
		4,323.36	3,625.67
<b>Non-current liabilities</b>			
Long-term borrowings	5	1,158.84	1,362.67
Deferred tax liabilities (net)	6	425.46	268.57
Other long-term liabilities		-	-
Long-term provisions	7	24.55	11.80
		1,608.85	1,643.04
<b>Current liabilities</b>			
Short-term borrowings	8	1,405.77	1,146.52
Trade payables	9	-	-
Total outstanding dues of MSMEs		-	-
Total outstanding dues of creditors other than MSMEs		1,357.26	754.03
		1,357.26	754.03
Other current liabilities	10	840.60	162.38
Short-term provisions	11	68.01	0.80
<b>Total</b>		<b>9,603.86</b>	<b>7,332.45</b>
<b>II. Assets</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment and intangible assets</b>			
Property, plant and equipment	12	4,321.17	4,608.54
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		4,321.17	4,608.54
Non-current investments	13	-	31.00
Long-term loans and advances		-	-
Other non-current assets	14	83.36	155.96
		4,404.53	4,795.50
<b>Current assets</b>			
Current investments		-	-
Inventories	15	3,318.23	1,564.35
Trade receivables	16	103.51	314.31
Cash and bank balances	17	5.00	8.89
Short-term loans and advances	18	1,488.99	425.91
Other current assets	19	283.60	223.48
<b>Total</b>		<b>9,603.86</b>	<b>7,332.45</b>
<b>Summary of significant accounting policies</b>	2		
<b>Contingent liabilities and commitments</b>	20		

The accompanying notes are an integral part of the financial statements

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

For, H. B. Kalaria & Associates  
Chartered Accountants  
Firm Registration No. 104571W


  
Hasmukh B. Kalaria  
Partner  
Mem. No. 042002

Rajkot, May 21, 2022

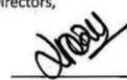


For and on behalf of the Board of Directors,

  
Amit V. Gadhya  
Managing Director  
DIN: 06604671

  
Jagdish D. Otradi  
DFO  
PAN: ABFPO7856C

Haripar, May 21, 2022

  
Harikrishna Chauhan  
Whole Time Director  
DIN: 07710106

  
Pratik M. Makwana  
CS  
PAN: BJHPM5951K

## Akshar Spintex Limited

Statement of Profit and Loss for the period ended March 31, 2022

Particulars	Note	(in Rs. lacs)	
		Period ended March 31, 2022	Period ended March 31, 2021
<b>1 Income</b>			
Revenue from operations	21	17,210.84	10,953.80
Other income	22	346.38	133.86
<b>Total income</b>		<b>17,557.22</b>	<b>11,087.66</b>
<b>2 Expenses</b>			
Cost of materials consumed	23	12,252.94	8,294.77
Purchase of stock-in-trade	24	1,659.31	536.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(165.54)	(17.16)
Employee benefit expense	26	754.50	473.49
Finance costs	27	256.23	252.33
Depreciation and amortisation expense	12	421.19	413.81
Other expenses	28	1,417.01	1,152.10
<b>Total expenses</b>		<b>16,595.65</b>	<b>11,105.90</b>
<b>3 Profit/(Loss) before tax</b>		<b>961.58</b>	<b>(18.24)</b>
<b>4 Less: Tax expense</b>			
Current tax		160.51	-
MAT credit availment/(entitlement)		(44.21)	-
Prior period tax		(9.29)	-
Deferred tax		156.89	(142.49)
<b>5 Profit/(loss) for continuing operations</b>		<b>697.69</b>	<b>124.25</b>
<b>6 Profit/(loss) from discontinuing operations (after tax)</b>		-	-
<b>7 Profit/(loss) for the period</b>		<b>697.69</b>	<b>124.25</b>
<b>8 Earnings per share (FV Rs. 10 per share)</b>	29		
Basic		2.79	0.50
Diluted		2.79	0.50

The accompanying notes are an integral part of the financial statements

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

For, H. B. Kalaria & Associates  
Chartered Accountants  
Firm Registration No. 104571W

  
Hasmukh B. Kalaria  
Partner  
Mem. No. 042002

Rajkot, May 21, 2022



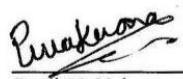
For and on behalf of the Board of Directors,

  
Amit V. Gadhiya  
Managing Director  
DIN: 06604671

  
Jagdish D. Otradi  
CFO  
PAN: ABFPO7856C

Haripar, May 21, 2022

  
Harikrishna Chauhan  
Whole Time Director  
DIN: 07710106

  
Pratik M. Makawana  
CS  
PAN: BJHPM5951K

## Akshar Spintex Limited

### Cash Flow Statement for the period ended March 31, 2022

	(in Rs. lacs)	
Particulars	Period ended March 31, 2022	Period ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax	961.58	(18.24)
Adjustments for		
Finance costs	256.23	252.33
Depreciation and amortisation costs	421.19	413.81
Interest income from non-current investments	(6.48)	(10.56)
Net gain on sale of non-current investments	(6.78)	-
Bad debts written off	6.44	-
Loss on disposal/discarding/demolishment/destruction of tangible assets	1.97	-
<b>Operating profit/(loss) before working capital changes</b>	<b>1,634.15</b>	<b>637.34</b>
<b>Adjustment for changes in working capital</b>		
Adjustments for (increase)/decrease in operating assets		
Inventories	(1,753.88)	(567.68)
Trade receivables	204.36	140.40
Short-term loans and advances	(1,025.95)	53.88
Other current assets	(60.12)	128.64
Adjustments for increase/(decrease) in operating liabilities		
Trade payables	603.23	222.00
Short-term provisions	3.09	(0.74)
Long-term provisions	12.76	(14.18)
Other current liabilities	653.36	31.35
<b>Cash generated from/(used in) operating activities</b>	<b>271.01</b>	<b>631.01</b>
<b>Income classified as operating activities</b>		
<b>Direct taxes paid (net of refunds)</b>	<b>(79.77)</b>	<b>(16.62)</b>
<b>Net cash generated from/(used in) operating activities</b>	<b>191.24</b>	<b>614.39</b>
<b>B. Cash flow from investing activities</b>		
Proceeds from sale of tangible assets	3.50	-
Purchase of tangible assets	(139.10)	(51.95)
Proceeds from sale of non-current investment(s)	37.78	-
Interest received	6.48	10.56
Cash and bank balances not classified as cash and cash equivalents	72.61	(9.46)
Capital advances (net)	(0.25)	-
<b>Cash generated from/(used in) investing activities</b>	<b>(18.98)</b>	<b>(50.85)</b>
<b>Direct tax paid (net of refunds)</b>	<b>-</b>	<b>-</b>
<b>Net cash generated from/(used in) investing activities</b>	<b>(18.98)</b>	<b>(50.85)</b>



## Akshar Spintex Limited

### Cash Flow Statement for the period ended March 31, 2022

	(in Rs. lacs)	
Particulars	Period ended March 31, 2022	Period ended March 31, 2021
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings	949.36	653.63
Repayment of long-term borrowings	(1,148.63)	(576.50)
Proceeds from short-term borrowings	21,657.27	11,269.41
Repayment of short-term borrowings	(21,402.59)	(11,664.17)
Finance costs paid	(231.57)	(248.21)
<b>Cash generated from/(used in) financing activities</b>	<b>(176.15)</b>	<b>(565.84)</b>
<b>Direct taxes paid (net of refunds)</b>	<b>-</b>	<b>-</b>
<b>Net cash generated from/(used in) financing activities</b>	<b>(176.15)</b>	<b>(565.84)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(3.89)</b>	<b>(2.30)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8.89</b>	<b>11.19</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5.00</b>	<b>8.89</b>

**Notes:**

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

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

For, **H. B. Kalaria & Associates**  
Chartered Accountants  
Firm Registration No. 104571W

  
\_\_\_\_\_  
**Hasmukh B. Kalaria**  
Partner  
Mem. No. 042002




Rajkot, May 21, 2022

For and on behalf of the Board of Directors,

  
\_\_\_\_\_  
**Amit V. Gadhiya**  
Managing Director  
DIN: 06604671

  
\_\_\_\_\_  
**Harikrishna Chauhan**  
Whole Time Director  
DIN: 07710106

  
\_\_\_\_\_  
**Jagdish D. Otradi**  
CFO  
PAN: ABFPO7856C

  
\_\_\_\_\_  
**Pratik M. Makawana**  
CS  
PAN: BJHPM5951K

Haripar, May 21, 2022



**Akshar Spintex Limited**  
**Notes to Financial Statements for the period ended March 31, 2022**

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**1. General Information**

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

**2. Summary of Significant Accounting Policies**

**2.1. Basis of Preparation**

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

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

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

**2.2. Presentation of Financial Statements**

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

**2.3. Plant, Property and Equipment and Depreciation**

**2.3.1. Plant, Property and Equipment**

**a. Tangible Assets**

All tangible assets are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are



**Akshar Spintex Limited**  
**Notes to Financial Statements for the period ended March 31, 2022**

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capitalised until the assets are ready for use and includes freight, duties, taxes and expenses to acquisition and installation.

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

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

**b. Intangible Assets**

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

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

**2.3.2. Depreciation**

**a. Tangible Assets**

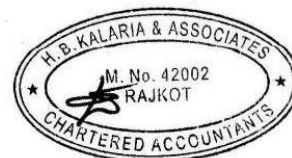
Depreciation is provided on a pro-rata basis on the straight-line method ('SLM') over the useful lives of the assets specified in Schedule II of the Companies Act, 2013.

**c. Intangible Assets**

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

**b. Impairment**

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



## Akshar Spintex Limited

### Notes to Financial Statements for the period ended March 31, 2022

#### 2.4. Inventories

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

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

#### 2.5. Employee Benefits

##### a. Defined Contribution Plans

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

##### b. Defined Benefit Plans

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

##### Gratuity

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

##### Leave Encashment

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



## Akshar Spintex Limited

### Notes to Financial Statements for the period ended March 31, 2022

#### c. Short-term Employee Benefits

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

#### 2.6. Provisions and Contingent Liabilities

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

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

#### 2.7. Revenue Recognition

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

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

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

#### 2.8. Government Grants

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

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

#### 2.9. Taxes on Income

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



## Akshar Spintex Limited

### Notes to Financial Statements for the period ended March 31, 2022

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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

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

#### 2.10. Cash and Cash Equivalents

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

#### 2.11. Borrowing Costs

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



## Akshar Spintex Limited

### Notes to Financial Statements for the period ended March 31, 2022

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#### 2.12. Segment Reporting

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

#### 2.13. Prior Period Items, Exceptional and Extraordinary Items

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

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

#### 2.14. Earnings per Share

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



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>3. Share capital</b>				
<b>Authorised</b>				
25,000,000 (25,000,000) Equity shares of Rs. 10 each		2,500.00		2,500.00
<b>Issued, subscribed and paid up</b>				
24,999,000 (24,999,000) Equity shares of Rs. 10 each		2,499.90		2,499.90

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	in Rs. lacs	No. of shares	in Rs. lacs
<b>At the commencement of the period</b>	24,999,000	2,499.90	24,999,000	2,499.90
<b>Addition during the period</b>				
Total addition during the period	-	-	-	-
<b>Reduction during the period</b>				
Total reduction during the period	-	-	-	-
<b>At the end of the period</b>	24,999,000	2,499.90	24,999,000	2,499.90

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Amit Vallabhbbhai Gadhiya	1,838,100	7.35%	1,820,100	7.28%
Ashokbhai Sukanbhai Bhalala	-	0.00%	1,530,000	6.12%
Nipaben Vikashbhai Sorathiya	-	0.00%	1,938,500	7.75%
Harikrishna Shamjibhai Chauhan	1,930,000	7.72%	600,000	2.40%
Ilaben Dineshbhai Paghdar	1,824,000	7.30%	1,602,000	6.41%
Pravinbhai Shukanbhai Bhalala	-	0.00%	1,330,000	5.32%
Rekhaben Harikrishna Chauhan	3,690,000	14.76%	2,160,000	8.64%
Sonal Prakashkumar Sorathia	1,936,500	7.75%	1,936,500	7.75%
Narmadaben Shamjibhai Chauhan	1,530,000	6.12%	290,000	1.16%

**3.3 Details of shares held by promoters at the end of the year**

Name of Promoter	As at March 31, 2022			As at March 31, 2021		
	No. of shares	%	% change	No. of shares	%	% change
Harikrishna Shamjibhai Chauhan	1,930,000	7.72%	5.32%	600,000	2.40%	0.00%
Rekhaben Harikrushnabhai Chauhan	3,690,000	14.76%	6.12%	2,160,000	8.64%	0.00%
Ashok Shukan Bhalala	-	0.00%	-6.12%	1,530,000	6.12%	0.00%
Amit Vallabhbbhai Gadhiya	1,838,100	7.35%	0.07%	1,820,100	7.28%	0.00%

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

**3.5 Rights, preferences and restrictions attached to shares**
**Equity shares**

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

**4. Reserves and surplus**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Securities Premium Account</b>				
As per last Balance Sheet	299.70		299.70	
		299.70		299.70
<b>Surplus/(Deficit) in Statement of Profit and Loss</b>				
As per last Balance Sheet	826.07		701.82	
Profit/Loss for the period	697.69		124.25	
		1,523.76		826.07
<b>Total</b>		<b>1,823.46</b>		<b>1,125.77</b>



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**
**5. Long-term borrowings**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Secured</b>				
<b>Rupee term loans</b>				
from banks	554.62	554.62	906.25	906.25
<b>Loans for assets</b>				
Vehicle loans	7.95	7.95	1.52	1.52
<b>Unsecured</b>				
<b>Loans and advances from related parties</b>				
from directors/promoters	513.98		362.62	
from others	82.29		92.29	
		596.27		454.91
<b>Total</b>		<b>1,158.84</b>		<b>1,362.67</b>

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

Financier/ Category	Nature of security	Terms of repayment	Personal security of promoters, shareholders, third parties etc.	Rate of interest	Guaranteed by	
					Directors	Others
Rupee loans from banks	Hypothecation of plant & machinery and equipments of Company and mortgage of land and buildings situated at Plot No. 2, Survey No. 102/2, Vill Haripar, Tal: Kalawad, Dist Jamnagar	Repayable in 44-47 Installments	Yes	8.65% - 9.20%	Yes	Yes
Vehicle loans	Hypothecation of the respective vehicle	Repayable in 36 Installments	No	7.65%	No	No

**5.2 Amount of secured loans outstanding**

Secured financier	Outstanding (in Rs. lacs)*	
	As at March 31, 2022	As at March 31, 2021
South Indian Bank	1,200.77	1,511.41
HDFC Bank	12.77	3.95
<b>Total</b>	<b>1,213.54</b>	<b>1,515.36</b>

\*includes current portion of long-term borrowings, if any. See note 8 of the financial statements.

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

Financier/ Category	Terms of repayment	Personal security of promoters, shareholders, third parties etc.	Rate of interest	Guaranteed by		Outstanding (in Rs. lacs)*	
				Directors	Others	As at March 31, 2022	As at March 31, 2021
Loans from directors	Repayment schedule is not specified	No	18%	No	No	513.98	362.62
Loans from relatives of directors	Repayment schedule is not specified	No	18%	No	No	82.29	92.29
<b>Total</b>						<b>596.27</b>	<b>454.91</b>

\*includes current portion of long-term borrowings, if any. See note 8 of the financial statements.





**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>6. Deferred tax liabilities (net)</b>				
<b>Deferred tax liabilities on account of timing differences</b>				
Depreciation	432.85		434.86	
		432.85		434.86
<b>Deferred tax assets on account of timing differences</b>				
Employee benefits	7.40		3.27	
Unabsorbed depreciation	-		163.01	
		7.40		166.29
<b>Total</b>		<b>425.46</b>		<b>268.57</b>

**6.1 Notes**

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

**7. Long-term provisions**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Provision for employee benefits		24.55		11.80
<b>Total</b>		<b>24.55</b>		<b>11.80</b>

**8. Short-term borrowings**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Secured</b>				
Current maturities of long-term debt (see note 5)		650.96		607.59
Working capital loans from banks		754.81		500.13
<b>Unsecured</b>				
Current maturities of long-term debt (see note 5)		-		38.81
<b>Total</b>		<b>1,405.77</b>		<b>1,146.52</b>

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

Financier/ Category	Nature of security	Terms of repayment	Personal security of promoters, shareholders, third parties etc.	Rate of interest	Guaranteed by	
					Directors	Others
Working capital loans from banks	Hypothecation of the current and movable assets of the Company	Repayable on demand	Yes	9.50%	Yes	Yes

**8.2 Amount of secured loans outstanding**

Secured financier	Outstanding (in Rs. lacs)*	
	As at March 31, 2022	As at March 31, 2021
South Indian Bank	754.81	500.13
<b>Total</b>	<b>754.81</b>	<b>500.13</b>

**9. Trade payables**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Total outstanding dues of MSMEs		-		-
Total outstanding dues of creditors other than MSMEs		1,357.26		754.03
<b>Total</b>		<b>1,357.26</b>		<b>754.03</b>



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**
**9.1 Trade payables ageing schedule**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
(Outstanding for the following periods from the date of transaction)				
<u>Undisputed trade payables - other than MSMEs</u>				
Less than 1 year	1,354.95		748.20	
1-2 years	1.72		4.71	
2-3 years	0.55		0.02	
More than 3 years	0.04		1.10	
	<u>1,357.26</u>		<u>754.03</u>	
<b>Total</b>		<b>1,357.26</b>		<b>754.03</b>

**9.2 Notes**

1. Trade payable ageing schedule data is as per management representation received.

**10. Other current liabilities**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Interest accrued but not due on borrowings		39.47		14.80
Statutory dues (including withholding taxes)		22.94		29.57
Accrued expenses payable		45.43		51.93
Advances from customers		644.41		0.20
Creditors for fixed assets		0.20		-
Employee related liabilities		86.17		63.07
Others		1.99		2.80
<b>Total</b>		<b>840.60</b>		<b>162.38</b>

**11. Short-term provisions**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Provision for employee benefits		3.89		0.80
Provision for income-tax (net)		64.11		-
<b>Total</b>		<b>68.01</b>		<b>0.80</b>

**13. Non-current investments**

Particulars	Face Value (in Rs. except stated otherwise)	As at March 31, 2022		As at March 31, 2021	
		As at March 31, 2022 Nos.	As at March 31, 2021 Nos.	As at March 31, 2022 in Rs. lacs	As at March 31, 2021 in Rs. lacs
<b>Non-trade investments</b>					
<b>Mutual Funds</b>					
(At cost) (Quoted)					
SBI Corporate Bond Fund - Regular Plan Growth	10.00	-	303,309.00	-	31.00
<b>Total</b>					<b>31.00</b>

**13.1 Aggregate value of quoted and unquoted investments**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Cost (in Rs. lacs)	Market Value (in Rs. lacs)	Cost (in Rs. lacs)	Market Value (in Rs. lacs)
Aggregate value of quoted investments	-	-	31.00	36.65
Aggregate value of unquoted investments	-	-	-	-
<b>Total</b>			<b>31.00</b>	



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>14. Other non-current assets</b>				
<b>Unsecured</b>				
<b>Secured deposits</b>				
Considered good	0.75		0.75	
	0.75		0.75	
<b>Long-term deposits with banks having maturity period more than 12 months</b>				
Considered good	82.61		155.21	
	82.61		155.21	
		83.36		155.96
<b>Total</b>		<b>83.36</b>		<b>155.96</b>

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>15. Inventories</b>				
Raw materials		2,514.44		926.10
Work-in-progress		423.41		288.59
Finished goods		351.51		324.30
Stock-in-trade		28.87		25.36
<b>Total</b>		<b>3,318.23</b>		<b>1,564.35</b>

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>15.1 Details of inventories</b>				
<b>Raw materials</b>				
Cotton bales	2,453.59		856.29	
Packing material	60.84		69.81	
		2,514.44		926.10
<b>Work-in-progress</b>				
Semi-finished cotton yarn	423.41		288.59	
		423.41		288.59
<b>Finished goods</b>				
Cotton yarn	328.68		284.21	
Cotton waste bales & dust	22.84		40.09	
		351.51		324.30
<b>Stock-in-trade</b>				
Cotton yarn	28.87		25.36	
		28.87		25.36
<b>Total</b>		<b>3,318.23</b>		<b>1,564.35</b>

**15.2 Notes**

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

**16. Trade receivables**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
<b>Unsecured</b>				
Considered good	9.03		3.00	
	9.03		3.00	
		9.03		3.00
<b>Others</b>				
<b>Unsecured</b>				
Considered good	94.48		311.31	
	94.48		311.31	
		94.48		311.31
<b>Total</b>		<b>103.51</b>		<b>314.31</b>



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**
**16.1 Trade receivables ageing schedule**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
(Outstanding for the following periods from the date of transaction)				
<b>Unsecured</b>				
<u>Undisputed trade receivables - considered good</u>				
Less than 6 months	94.48		311.31	
6 months -1 year	6.03		3.00	
1-2 years	3.00		-	
2-3 years	-		-	
More than 3 years	-		-	
	103.51		314.31	
<b>Total</b>		<b>103.51</b>		<b>314.31</b>

**17. Cash and bank balances**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Cash and cash equivalents</b>				
<u>Balances with banks</u>				
Other bank balances	0.20		1.53	
	0.20		1.53	
Cash on hand	4.80		7.36	
		5.00		8.89
<b>Total</b>		<b>5.00</b>		<b>8.89</b>

**18. Short-term loans and advances**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Unsecured</b>				
<u>Capital advances</u>				
Considered good	0.25		-	
	0.25		-	
<u>Advances to suppliers</u>				
Considered good	1,075.65		77.85	
	1,075.65		77.85	
<u>Loans/Advances to employees</u>				
Considered good	0.25		1.33	
	0.25		1.33	
<u>Advances recoverable in cash or in kind or for value to be received</u>				
Considered good	1.74		1.57	
	1.74		1.57	
<u>Prepaid expenses</u>				
Considered good	7.90		5.53	
	7.90		5.53	
<u>Others</u>				
<u>Advance tax</u>				
Advance income-tax paid	-		12.00	
Tax deducted at source	-		4.62	
	-		16.62	
MAT credit entitlement	315.93		262.43	
Other taxes receivable	0.98		0.98	
Balances with statutory authorities	86.29		59.60	
		1,488.99		425.91
<b>Total</b>		<b>1,488.99</b>		<b>425.91</b>



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**
**19. Other current assets**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Unsecured</b>				
Other current assets	283.60		223.48	
<b>Total</b>		<b>283.60</b>		<b>223.48</b>

**19.1 Notes**

1. Other current assets includes government grants receivable of Rs. 28,359,706 (PY Rs. 22,348,154).

**20. Contingent liabilities and commitments**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>A. Contingent liabilities</b>				
<u>Other contingent liabilities</u>				
<u>Appeals filed in respect of disputed demands</u>				
<u>Income-tax</u>				
Where the Company is in appeal	119.16		-	
		119.16		-

**21. Revenue from operations**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Revenue from sale of products	17,252.45		11,023.61	
Income from financing activities		17,252.45		11,023.61
<u>Other operating revenue</u>				
Net gain/(loss) on foreign currency fluctuations	(41.61)		(69.80)	
		(41.61)		(69.80)
<b>Total</b>		<b>17,210.84</b>		<b>10,953.80</b>

**21.1 Disclosure of categories of products/services**
**Revenue from products (net of taxes, if any)**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	Manufactured (in Rs. lacs)	Traded (in Rs. lacs)	Manufactured (in Rs. lacs)	Traded (in Rs. lacs)
<b>Revenue from export sales</b>				
<b>Sub-total (A)</b>				
<b>Revenue from domestic sales</b>				
<u>Finished goods</u>				
Cotton yarn	14,198.45	-	8,883.42	-
Cotton waste bales & dust	1,426.57	-	1,680.55	-
<u>Stock-in-trade</u>				
Cotton yarn	-	1,634.00	-	487.47
Scrap	0.51	-	3.79	-
<b>Sub-total (B)</b>	<b>15,625.53</b>	<b>1,634.00</b>	<b>10,567.75</b>	<b>487.47</b>
<b>Total (A)+(B)</b>	<b>15,625.53</b>	<b>1,634.00</b>	<b>10,567.75</b>	<b>487.47</b>
Total gross sales (export + domestic)		17,259.53		11,055.22
Less: Discounts/Rebates on sale of products		7.08		31.45
Less: Other allowances and deductions from sale of products		-		0.16
<b>Revenue from sale of products</b>		<b>17,252.45</b>		<b>11,023.61</b>



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**
**22. Other income**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Interest income</b>				
From non-current sources	6.48		10.56	
		6.48		10.56
<b>Net gain/(loss) on sale of investments</b>				
Classified as non-current	6.78		-	
		6.78		-
<b>Other non-operating income</b>				
Income from government grants/subsidies	331.44		123.30	
Misc. other non-operating income	1.68		-	
		333.12		123.30
<b>Total</b>		<b>346.38</b>		<b>133.86</b>

**23. Cost of materials consumed**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Opening inventory		926.10		375.58
Add: Purchases (net)		13,841.28		8,845.29
Less: Closing inventory		2,514.44		926.10
<b>Total</b>		<b>12,252.94</b>		<b>8,294.77</b>

**23.1 Materials consumed consist of**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Cotton bales		12,060.30		8,163.44
Packing material		192.64		131.33
<b>Total</b>		<b>12,252.94</b>		<b>8,294.77</b>

**24. Purchase of stock-in-trade**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Stock-in-trade		1,659.31		536.56
<b>Total</b>		<b>1,659.31</b>		<b>536.56</b>

**24.1 Purchase of stock-in-trade consists of**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Cotton yarn		1,659.31		536.56
<b>Total</b>		<b>1,659.31</b>		<b>536.56</b>

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

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Opening inventory</b>				
Finished goods	324.30		386.95	
Work-in-progress	288.59		234.14	
Stock-in-trade	25.36		-	
		638.25		621.09
<b>Closing inventory</b>				
Finished goods	351.51		324.30	
Work-in-progress	423.41		288.59	
Stock-in-trade	28.87		25.36	
		803.79		638.25
<b>Total</b>		<b>(165.54)</b>		<b>(17.16)</b>



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>26. Employee benefit expense</b>				
Salaries and wages		750.49		466.86
Contribution to provident fund and other funds		3.59		4.36
Staff welfare expenses		0.42		2.27
<b>Total</b>		<b>754.50</b>		<b>473.49</b>

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>27. Finance costs</b>				
<b>Interest expense</b>				
<u>On long-term loans</u>				
from banks		117.87		124.29
from others		70.11		32.55
		<u>187.98</u>		<u>156.84</u>
<u>On short-term loans</u>				
from banks		53.51		91.15
		<u>53.51</u>		<u>91.15</u>
On other borrowings and/or late payments		0.10		0.10
				<u>241.59</u>
Other borrowing costs		14.64		4.25
<b>Total</b>		<b>256.23</b>		<b>252.33</b>

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>28. Other expenses</b>				
Consumption of stores and spares		136.80		91.13
Power and fuel		2.16		1.80
Electricity expense		1,119.50		948.81
Factory expense		4.88		3.30
Rent expense		3.60		3.60
<u>Repairs and maintenance</u>				
Plant and machinery		1.95		2.21
Others		9.59		4.97
				<u>11.54</u>
Insurance		13.56		12.79
Rates and taxes		1.12		3.40
Telephone and postage		0.94		1.04
Printing and stationery		1.02		0.83
Donations and related subscriptions		-		4.85
Books and periodicals		-		0.03
Registration and filing fees		5.11		10.90
Legal and professional charges		14.53		6.29
Bank charges		1.58		0.83
Travelling and conveyance		2.27		0.30
Vehicle running expenses		14.34		16.35
Safety and security expenses		11.77		11.29
Information technology expenses		1.27		1.38
<u>Payment to auditors</u>				
Audit services		2.90		2.11
				<u>2.90</u>
<u>Payments to cost auditor</u>				
Cost audit services		0.30		0.30
				<u>0.30</u>
Payments for technical services		0.88		0.68
Advertising and sales promotion expenses		0.68		0.34
Commission to selling agents (other than sole selling agents)		50.73		20.75
Freight expenses		5.56		0.64
Loading and unloading costs		-		0.03



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**

<u>Provision for diminution in value of investments</u>		
Bad debts written off	6.44	-
		6.44
Loss on disposal/discarding/demolishment/destruction of tangible assets	1.97	-
Miscellaneous expenses	1.56	1.15
<b>Total</b>	<b>1,417.01</b>	<b>1,152.10</b>

**29. Earnings per share**

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
Net profit/(loss) for basic EPS calculation (in Rs. lacs)	697.69	124.25
Weighted average no. of equity shares for basic EPS calculation	24,999,000	24,999,000
Basic EPS (in Rs. per share)	2.79	0.50
Basic EPS from continuing operations (in Rs. per share)	2.79	0.50
Diluted EPS (in Rs. per share)	2.79	0.50
Diluted EPS from continuing operations (in Rs. per share)	2.79	0.50

**30. Source wise bifurcation of materials, stores and spares consumed**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	%	in Rs. lacs	%
<b>Materials consumed</b>				
Imported	-	0.00%	-	0.00%
Indigenous	12,252.94	100.00%	8,294.77	100.00%
	12,252.94	100.00%	8,294.77	100.00%
<b>Stores and spares consumed</b>				
Imported	-	0.00%	-	0.00%
Indigenous	136.80	100.00%	91.13	100.00%
	136.80	100.00%	91.13	100.00%

**31. Additional regulatory information**
**31.1 Security of current assets against borrowings**

The Company is having borrowings from banks or financial institutions against which security of current assets is given. Quarterly returns and statements of current assets filed by the Company with banks and financial institutions are not in agreement with the books of accounts. Summary of reconciliation and reasons for material discrepancies are as follows:

Quarter	Name of bank	Particulars of security provided	Amount as per books of account (in Rs. lacs)	Amount as reported in the quarterly return/statement (in Rs. lacs)	Amount of difference (in Rs. lacs)	Reason for material discrepancies (See notes below)
Q3	The south Indian Bank LTD	Sundry debtors	189.52	281.32	(91.80)	Note No. 1

**Reason for material discrepancies**

Note No. 1 : The Company was transacting with oscar fabrics for purchase and sale and joint ledger was maintained by the Company, now company maintains different ledger for different transactions and that is why the difference arises and the outstanding amount is shown as debtors as on date in the company's backup.

**31.2 Analytical ratios**

Particulars	As at March 31, 2022	As at March 31, 2021	% change
<b>Current ratio</b>			
Current assets (in Rs. lacs) (A)	5,199.33	2,536.94	
Current liabilities (in Rs. lacs) (B)	3,671.64	2,063.73	
<b>Ratio (times) = (A)/(B)</b>	<b>1.42</b>	<b>1.23</b>	15.19%





**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**

<b>Debt-equity ratio</b>			
Total debt (in Rs. lacs) (A)	2,564.61	2,509.20	
Shareholders' funds (in Rs. lacs) (B)	4,323.36	3,625.67	
<b>Ratio (times) = (A)/(B)</b>	<b>0.59</b>	<b>0.69</b>	<b>-14.29%</b>
<b>Debt service coverage ratio</b>			
Net profit/(loss) before tax (in Rs. lacs)	961.58	(18.24)	
Add: Finance cost (in Rs. lacs)	256.23	252.33	
Add: Depreciation and amortisation expense (in Rs. lacs)	421.19	413.81	
Earnings available for debt services (in Rs. lacs) (A)	1,639.00	647.90	
Interest expense (in Rs. lacs)	256.23	252.33	
Principal repayment (in Rs. lacs)	593.41	266.69	
Debt service (in Rs. lacs) (B)	849.64	519.03	
<b>Ratio (times) = (A)/(B)</b>	<b>1.93</b>	<b>1.25</b>	<b>54.53%</b>
<b>Return on equity</b>			
Net profit/(loss) after tax (in Rs. lacs) (A)	697.69	124.25	
Average shareholders' funds (in Rs. lacs) (B)	3,974.52	3,563.55	
<b>Ratio (%) = (A)/(B)</b>	<b>17.55%</b>	<b>3.49%</b>	<b>403.44%</b>
<b>Inventory turnover ratio</b>			
Cost of goods sold (in Rs. lacs) (A)	13,746.71	8,814.17	
Average inventory (in Rs. lacs) (B)	2,441.29	1,280.51	
<b>Ratio (times) = (A)/(B)</b>	<b>5.63</b>	<b>6.88</b>	<b>-18.19%</b>
<b>Trade receivables turnover ratio</b>			
Revenue from operations (in Rs. lacs) (A)	17,210.84	10,953.80	
Average trade receivables (in Rs. lacs) (B)	208.91	384.51	
<b>Ratio (times) = (A)/(B)</b>	<b>82.38</b>	<b>28.49</b>	<b>189.19%</b>
<b>Trade payables turnover ratio</b>			
Total purchase (in Rs. lacs) (A)	15,500.59	9,381.85	
Average trade payables (in Rs. lacs) (B)	1,055.65	643.03	
<b>Ratio (times) = (A)/(B)</b>	<b>14.68</b>	<b>14.59</b>	<b>0.64%</b>
<b>Net capital turnover ratio</b>			
Revenue from operations (in Rs. lacs) (A)	17,210.84	10,953.80	
Current assets (in Rs. lacs)	5,199.33	2,536.94	
Less: Current liabilities (in Rs. lacs)	3,671.64	2,063.73	
Net working capital (in Rs. lacs)	1,527.69	473.22	
Average net working capital (in Rs. lacs) (B)	1,000.45	255.28	
<b>Ratio (times) = (A)/(B)</b>	<b>17.20</b>	<b>42.91</b>	<b>-59.91%</b>
<b>Net profit ratio</b>			
Net profit/(loss) after tax (in Rs. lacs) (A)	697.69	124.25	
Revenue from operations (in Rs. lacs) (B)	17,210.84	10,953.80	
<b>Ratio (%) = (A)/(B)</b>	<b>4.05%</b>	<b>1.13%</b>	<b>257.37%</b>
<b>Return on capital employed</b>			
Net profit/(loss) before tax (in Rs. lacs)	961.58	(18.24)	
Add: Finance cost (in Rs. lacs)	256.23	252.33	
Earning before interest and taxes (in Rs. lacs) (A)	1,217.81	234.09	
Average capital employed (in Rs. lacs) (B)	5,600.47	5,226.98	
<b>Ratio (%) = (A)/(B)</b>	<b>21.74%</b>	<b>4.48%</b>	<b>385.53%</b>
<b>Return on investment</b>			
Net profit/(loss) after tax (in Rs. lacs) (A)	697.69	124.25	
Average shareholders' funds (in Rs. lacs) (B)	3,974.52	3,563.55	
<b>Ratio (%) = (A)/(B)</b>	<b>17.55%</b>	<b>3.49%</b>	<b>403.44%</b>



**Reason for change for more than 25%****1 Debt service coverage ratio**

Debt service coverage ratio has increased as the Company has been profitable in the current year.

**2 Return on equity**

Return on equity has improved as the Company has been profitable in the current year.

**3 Trade receivables turnover ratio**

Trade receivables turnover ratio has increased as the Company has been able to collect its receivables efficiently and higher credit period provided to debtors.

**4 Net capital turnover ratio**

Net capital turnover ratio has decreased on account of decrease in the working capital intensity of the Company's operations.

**5 Net profit ratio**

Net profit ratio has increased as the Company has been profitable in the current year.

**6 Return on capital employed**

Return on capital employed has increased on account of profit during the current year as compared to loss in the previous year.

**7 Return on investment**

Return on investment has increased as the Company has been profitable in the current year.

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

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

**33. Related party transactions****33.1 List of related parties****Other related parties where common control exists**

A. Patel Alloys #

Tricot Impex Pvt Ltd #

**Key Management Personnel ("KMP") and their relatives****Whole-time directors ("WTDs")/Executive directors etc.**

Ashokbhai Bhalala

Amitbhai Gadhiya

Harikrishna Chauhan

Ilaben Paghadar

**Relative of WTDs/Executive directors**

Chetnaben Bhalala #

Harikrishna Chauhan HUF #

Rekhaben Harikrishna Chauhan

Ashokbhai Bhalala HUF#

Pooja Amitbhai Gadhiya

Harry Dineshbhai Paghdar



**Akshar Spintex Limited**

Notes to Financial Statements for the period ended March 31, 2022

**Other KMPs and their relatives**

Pratik Raiyani #  
 Ankita Popat #  
 Rajdeep Patel #  
 Manojbhai Baldha #  
 Paresh Bhalala #  
 Pravin Bhalala #  
 Jalpaben Bhalala #  
 Kantaben Gadhiya  
 Manubhai Gajera #  
 Narmadaben Chauhan #  
 Nayan Gadhiya #  
 Nipaben Sorathiya #  
 Pareshbhai Jethva #  
 Pareshbhai Bhalala HUF #  
 Pravinaben Gohil  
 Pravinbhai Bhalala HUF #  
 Sarojben Bhalala #  
 Shukanbhai Bhalala HUF #  
 Sonal Sorathia  
 Chandni Chhabariya #  
 Shukanbhai Bhalala #  
 Dineshbhai Paghadar  
 Shukanbhai Bhalala  
 Kishorbhai M. Kikani (resigned w.e.f. 19th October, 2021)  
 Jagdish D. Otradi  
 Ashwin Chavda  
 Pratik M. Makawana (Appointed w.e.f. 09th March, 2022)  
 Dineshbhai Paghadar

# There are no transactions during the year with the above entities

**33.2 Details of transactions with related parties**

(in Rs. lacs)

Details of transactions	Subsidiaries/JCEs/Asso./ Controlling Co./Intermediates		Other related parties		Key Management Personnel and relatives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Revenue from sale of goods</b>								
A. Patel Alloys	-	-	-	5.89	-	-	-	5.89
<b>Total</b>	-	-	-	5.89	-	-	-	5.89
<b>Interest paid</b>								
Rekhaben Chauhan	-	-	-	-	10.93	4.00	10.93	4.00
Amitbhai Gadhiya	-	-	-	-	20.16	6.07	20.16	6.07
Harikrishna Chauhan	-	-	-	-	23.53	0.61	23.53	0.61
Ilaben Paghadar	-	-	-	-	14.71	5.33	14.71	5.33
<b>Total</b>	-	-	-	-	69.34	16.00	69.34	16.00
<b>Loans/Advances accepted</b>								
Harikrishna Chauhan	-	-	-	-	389.09	34.00	389.09	34.00
Ashokbhai Bhalala	-	-	-	-	28.48	-	28.48	-
Amitbhai Gadhiya	-	-	-	-	97.05	-	97.05	-
Rekhaben Harikrishna Chauhan	-	-	-	-	24.00	-	24.00	-
<b>Total</b>	-	-	-	-	538.62	34.00	538.62	34.00
<b>Accepted loans/advances repaid</b>								
Ashokbhai Bhalala	-	-	-	-	156.96	-	156.96	-
Amitbhai Gadhiya	-	-	-	-	61.70	-	61.70	-
Harikrishna Chauhan	-	-	-	-	134.60	-	134.60	-
Ilaben Paghadar	-	-	-	-	10.00	-	10.00	-
Rekhaben Harikrishna Chauhan	-	-	-	-	34.00	-	34.00	-
<b>Total</b>	-	-	-	-	397.26	-	397.26	-
<b>Salary and bonus</b>								
Poojaben Gadhiya	-	-	-	-	0.70	2.21	0.70	2.21
Pravinaben Gohil	-	-	-	-	4.99	2.52	4.99	2.52
Rekhaben Chauhan	-	-	-	-	7.56	3.78	7.56	3.78
Gordhanbhai Gadhiya	-	-	-	-	-	0.25	-	0.25
Harry Dineshbhai Paghadar	-	-	-	-	0.25	0.65	0.25	0.65
Kantaben Gadhiya	-	-	-	-	4.99	2.52	4.99	2.52
<b>Total</b>	-	-	-	-	18.49	11.93	18.49	11.93



**Akshar Spintex Limited**
**Notes to Financial Statements for the period ended March 31, 2022**

<b>Remuneration to KMPs</b>								
Ashwin Chavda	-	-	-	-	-	1.05	-	1.05
Pratik Raiyani	-	-	-	-	-	1.06	-	1.06
Ilaben Paghdar	-	-	-	-	8.40	3.60	8.40	3.60
Ashokbhai Bhalala	-	-	-	-	-	0.75	-	0.75
Amitbhai Gadhiya	-	-	-	-	13.00	5.75	13.00	5.75
Kishorbhai M. Kikani	-	-	-	-	2.30	0.51	2.30	0.51
Jagdish D. Otradi	-	-	-	-	3.93	1.65	3.93	1.65
Harikrishna Chauhan	-	-	-	-	13.00	6.00	13.00	6.00
<b>Total</b>	-	-	-	-	40.63	20.37	40.63	20.37
<b>Rent Paid</b>								
Rekhaben Chauhan	-	-	-	-	1.80	1.80	1.80	1.80
Sonalben Sorathiya	-	-	-	-	1.80	1.80	1.80	1.80
<b>Total</b>	-	-	-	-	3.60	3.60	3.60	3.60

**33.3 Details of account balances with related parties**
**(in Rs. lacs)**

Account balances	Subsidiaries/JCEs/Asso./ Controlling Co./Intermediates		Other related parties		Key Management Personnel and relatives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Loans from related parties</b>								
Rekhaben Chauhan	-	-	-	-	56.89	66.89	56.89	66.89
Ilaben Paghdar	-	-	-	-	79.00	89.00	79.00	89.00
Rajdeebhai Tala	-	-	-	-	25.40	25.40	25.40	25.40
Amitbhai Gadhiya	-	-	-	-	-	101.44	-	101.44
Ashokbhai Bhalala	-	-	-	-	-	128.48	-	128.48
Harikrishna Chauhan	-	-	-	-	298.19	43.70	298.19	43.70
<b>Total</b>	-	-	-	-	459.48	454.91	459.48	454.91
<b>Remuneration payable to KMPs</b>								
Ilaben Paghdar	-	-	-	-	1.02	-	1.02	-
Amitbhai Gadhiya	-	-	-	-	1.37	-	1.37	-
Harikrishna Chauhan	-	-	-	-	1.21	-	1.21	-
<b>Total</b>	-	-	-	-	3.61	-	3.61	-
<b>Other balances- Interest payable</b>								
Rekhaben Chauhan	-	-	-	-	4.60	3.70	4.60	3.70
Ilaben Paghdar	-	-	-	-	6.38	4.93	6.38	4.93
Amitbhai Gadhiya	-	-	-	-	10.27	5.61	10.27	5.61
Harikrishna Chauhan	-	-	-	-	18.22	0.56	18.22	0.56
<b>Total</b>	-	-	-	-	39.47	14.80	39.47	14.80

**34. Segment reporting**

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

**35. Employee benefits**

The Company has various schemes for long-term benefits such as Provident Fund, Gratuity and Leave Encashment. In the case of funded schemes, if any, the funds are recognized by the Income tax authorities and administered through trustees. The Company's defined contribution plans are Provident Fund (in case of certain employees), Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Provident Fund (in case of certain employees), Gratuity, and Leave Encashment.

The Company accounts for defined benefit plans on actual payment basis only which is not in accordance with AS 15 - Employee Benefits.

**35.1 Change in defined benefit obligation**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Gratuity (Non-funded)</b>				
Present value of defined benefit obligation as at the beginning of the period		12.59		27.51
Current service cost		10.55		9.15
Interest cost		0.63		1.46
Actuarial (gain)/loss		4.67		(25.52)
<b>Present value of defined benefit obligation as at the end of the period</b>		<b>28.45</b>		<b>12.59</b>



**Akshar Spintex Limited**

**Notes to Financial Statements for the period ended March 31, 2022**

**35.2 Reconciliation of present value of defined benefit obligation and fair value of plan assets**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Gratuity (Non-funded)</b>				
Present value of funded obligation as at the end of the year		28.45		12.59
<b>Unfunded liability/(assets) recognised in the balance sheet</b>		<b>28.45</b>		<b>12.59</b>
<b>Liability recognised under</b>				
Long-term provisions (see note 7)		24.55		11.80
Short-term provisions (see note 11)		3.89		0.80

**35.3 Reconciliation of present value of defined benefit obligation and fair value of plan assets**

Particulars	As at March 31, 2022		As at March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
<b>Gratuity (Non-funded)</b>				
Current service cost		10.55		9.15
Interest cost		0.63		1.46
Net actuarial (gain)/loss		4.67		(25.52)
<b>Total expense/(income) recognised in the Statement of Profit and Loss</b>		<b>15.85</b>		<b>(14.91)</b>

**35.4 Principal actuarial assumptions used**

Particulars	As at March 31, 2022		As at March 31, 2021	
		%		%
<b>Gratuity (Non-funded)</b>				
Discount rate (per annum)		5.65%		5.20%
Expected rate of return on plan assets		Not Applicable		Not Applicable
Expected rate of increase in salaries		7.00%		7.00%
Medical cost trend rates		Not Applicable		Not Applicable

**35.5 Contribution to defined contribution plans**

Particulars	Period ended March 31, 2022		Period ended March 31, 2021	
	in Rs. lacs	in Rs. lacs	in Rs. lacs	in Rs. lacs
Provident Fund		4		4
<b>Total</b>		<b>4</b>		<b>4</b>

**36. Other notes**

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

Signature to notes 1 to 36 of the financial statements.

For, **H. B. Kalaria & Associates**  
Chartered Accountants  
Firm Registration No. 104571W

**Hasmukh B. Kalaria**  
Partner  
Mem. No. 042002

Rajkot, May 21, 2022



For and on behalf of the Board of Directors,

**Amit V. Gadhiya**  
Managing Director  
DIN: 06604671

**Harikrishna Chauhan**  
Whole Time Director  
DIN: 07710106

**Jagdish D. Otradi**  
CFO  
PAN: ABFP07856C

**Pratik M. Makawana**  
CS  
PAN: BJHPM5951K

Haripar, May 21, 2022

**Akshar Spintex Limited**

Notes to Financial Statements for the period ended March 31, 2022

**12. Property, plant and equipment and intangible assets** (in Rs. lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block		
	Opening as at 01/04/2021	Additions	Deductions	Other adjustments	As at 31/03/2022	Opening as at 01/04/2021	Depreciation/Amortization	Deductions	Other adjustments	As at 31/03/2022	As at 31/03/2022
<b>Property, plant and equipment</b>											
<b>Land</b>											
Freehold	63.60	-	-	-	63.60	-	-	-	-	63.60	63.60
Sub-total	63.60	-	-	-	63.60	-	-	-	-	63.60	63.60
<b>Buildings</b>											
Owned	1,058.80	44.39	-	-	1,103.20	207.28	34.22	-	-	241.50	861.70
Sub-total	1,058.80	44.39	-	-	1,103.20	207.28	34.22	-	-	241.50	861.70
<b>Plant and equipment</b>											
Owned	5,709.12	65.87	-	-	5,774.98	2,107.77	363.18	-	-	2,470.94	3,304.04
Sub-total	5,709.12	65.87	-	-	5,774.98	2,107.77	363.18	-	-	2,470.94	3,304.04
<b>Furniture and fixtures</b>											
Owned	24.62	2.35	-	-	26.97	11.51	2.51	-	-	14.02	12.96
Sub-total	24.62	2.35	-	-	26.97	11.51	2.51	-	-	14.02	12.96
<b>Motor vehicles</b>											
Owned	25.01	17.56	16.24	-	26.34	10.97	3.89	10.77	-	4.10	22.23
Sub-total	25.01	17.56	16.24	-	26.34	10.97	3.89	10.77	-	4.10	22.23
<b>Computer equipment</b>											
Owned	15.30	1.75	-	-	17.05	13.15	0.85	-	-	14.00	3.05
Sub-total	15.30	1.75	-	-	17.05	13.15	0.85	-	-	14.00	3.05
<b>Office equipment</b>											
Owned	156.80	7.37	-	-	164.17	94.03	16.54	-	-	110.57	53.60
Sub-total	156.80	7.37	-	-	164.17	94.03	16.54	-	-	110.57	53.60
<b>Total (I)</b>	<b>7,053.24</b>	<b>139.30</b>	<b>16.24</b>	<b>-</b>	<b>7,176.30</b>	<b>2,444.70</b>	<b>421.19</b>	<b>10.77</b>	<b>-</b>	<b>2,855.13</b>	<b>4,321.17</b>
<b>Intangible assets</b>											
Total (II)	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total (I)+(II)</b>	<b>7,053.24</b>	<b>139.30</b>	<b>16.24</b>	<b>-</b>	<b>7,176.30</b>	<b>2,444.70</b>	<b>421.19</b>	<b>10.77</b>	<b>-</b>	<b>2,855.13</b>	<b>4,321.17</b>



**Akshar Spintex Limited**

Notes to Financial Statements for the period ended March 31, 2022

**12A. Property, plant and equipment and intangible assets** (in Rs. lacs)

Particulars	Gross Block				Depreciation/Amortization				Net Block		
	Opening as at 01/04/2020	Additions	Deductions	Other adjustments	As at 31/03/2021	Opening as at 01/04/2020	Depreciation/Amortization	Deductions	Other adjustments	As at 31/03/2021	As at 31/03/2021
<b>Property, plant and equipment</b>											
<b>Land</b>											
Freehold	63.60	-	-	-	63.60	-	-	-	-	63.60	63.60
Sub-total	63.60	-	-	-	63.60	-	-	-	-	63.60	63.60
<b>Buildings</b>											
Owned	1,058.80	-	-	-	1,058.80	173.75	33.53	-	-	207.28	851.53
Sub-total	1,058.80	-	-	-	1,058.80	173.75	33.53	-	-	207.28	851.53
<b>Plant and equipment</b>											
Owned	5,664.47	44.64	-	-	5,709.12	1,748.36	359.41	-	-	2,107.77	3,601.35
Sub-total	5,664.47	44.64	-	-	5,709.12	1,748.36	359.41	-	-	2,107.77	3,601.35
<b>Furniture and fixtures</b>											
Owned	20.85	3.77	-	-	24.62	9.45	2.06	-	-	11.51	13.11
Sub-total	20.85	3.77	-	-	24.62	9.45	2.06	-	-	11.51	13.11
<b>Motor vehicles</b>											
Owned	25.01	-	-	-	25.01	8.03	2.95	-	-	10.97	14.04
Sub-total	25.01	-	-	-	25.01	8.03	2.95	-	-	10.97	14.04
<b>Computer equipment</b>											
Owned	13.03	2.27	-	-	15.30	13.03	0.12	-	-	13.15	2.15
Sub-total	13.03	2.27	-	-	15.30	13.03	0.12	-	-	13.15	2.15
<b>Office equipment</b>											
Owned	155.53	1.26	-	-	156.80	78.29	15.74	-	-	94.03	62.77
Sub-total	155.53	1.26	-	-	156.80	78.29	15.74	-	-	94.03	62.77
<b>Total (I)</b>	<b>7,001.29</b>	<b>51.95</b>	<b>-</b>	<b>-</b>	<b>7,053.24</b>	<b>2,030.90</b>	<b>413.81</b>	<b>-</b>	<b>-</b>	<b>2,444.70</b>	<b>4,608.54</b>
<b>Intangible assets</b>											
Total (II)	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total (I)+(II)</b>	<b>7,001.29</b>	<b>51.95</b>	<b>-</b>	<b>-</b>	<b>7,053.24</b>	<b>2,030.90</b>	<b>413.81</b>	<b>-</b>	<b>-</b>	<b>2,444.70</b>	<b>4,608.54</b>





## ACCOUNTING RATIOS

The following tables set forth our Company's certain accounting and other ratios as derived from our Financial Information for the Financial Year ended on March 31, 2024, March 31, 2023 and March 31, 2022. For further details please refer to the section titled '*Financial Information*' beginning on page 109.

*(Amount in lakhs, except mentioned otherwise)*

Particulars	as at / for the period/financial year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Net Profit/ (loss) after tax	345.51	-276.43	697.69
Income tax expenses	156.09	-142.56	263.90
Finance Cost	133.34	171.73	256.23
Depreciation and Amortization expense	433.57	426.97	421.19
<b>Earnings Before Interest, Tax, Depreciation and Amortisation (A)</b>	<b>1068.51</b>	<b>196.93</b>	<b>1639.01</b>
Equity Share capital	2999.88	2499.90	2499.90
Reserves and Surplus	1388.46	1564.25	1823.46
<b>Net Worth (B)</b>	<b>4388.34</b>	<b>4064.15</b>	<b>4323.36</b>
<b>Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (C)</b>	<b>345.51</b>	<b>-276.43</b>	<b>697.69</b>
<b>Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (D)</b>	<b>29,99,88,000</b>	<b>2,49,99,000</b>	<b>2,49,99,000</b>
<b>Return on Net Worth (%) (C/B)</b>	<b>7.87%</b>	<b>-6.80%</b>	<b>16.14%</b>
<b>Net Asset Value per Equity Share (₹) (B/D)</b>	<b>1.46</b>	<b>16.26</b>	<b>17.29</b>
<b>Basic and Diluted Earnings per Equity Share (₹)</b>	<b>0.12</b>	<b>-1.11</b>	<b>2.79</b>

Where,

**Basic Earnings per Equity Share (₹) =**

Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable

—————  
Weighted Average number of Equity Shares

**Diluted Earnings per Equity Share (₹) =**

Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable

—————  
Weighted Average number of Equity Shares (including convertible securities)



**Return on Net Worth (%) =**

$$\frac{\text{Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)}}{\text{Weighted Average number of Equity Shares (including convertible securities)}}$$

$$\text{Net Asset Value per Equity Share (₹)} = \frac{\text{Net Worth}}{\text{Number of Equity Shares outstanding for the year}}$$





## STATEMENT OF CAPITALIZATION

The following table sets forth our Company's capitalization for the period ended on March 31, 2024, on the basis of amounts derived from our Limited Reviewed Financial Statement issued by our Statutory Auditor M/s. H.B. Kalaria and Associates, Chartered Accountants. This table should be read in conjunction with the sections titled '*Risk Factors*', '*Financial Information*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' on pages 26, 109 and 252 respectively.

*(Amount in ₹ lakhs)*

<b>Particulars</b>	<b>Pre-Issue as at March 31, 2024</b>	<b>As adjusted for the issue (Post-Issue)*^</b>
<b>Total Borrowings</b>		
Current borrowings*	<b>700.36</b>	<b>700.36</b>
Non-current Borrowings (including current maturity)*	<b>1197.63</b>	<b>1197.63</b>
<b>Total (A)</b>	<b>1897.99</b>	<b>1897.99</b>
<b>Total Equity</b>		
Equity share capital*	<b>2999.88</b>	<b>7874.69</b>
Other equity*	<b>1388.46</b>	<b>1388.46</b>
<b>Total (B)</b>	<b>4388.34</b>	<b>9263.15</b>
Non-current Borrowings (including current maturities of borrowings) (A)/Total Equity (B)	0.43	0.20
Total Borrowings (Non-current borrowings/ Total Equity)	0.27	0.13

\*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

^Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares



## STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on BSE and NSE and the Rights Equity Shares issued pursuant to this Issue will be listed on BSE and NSE. For further details, please refer to the section titled '**Terms of the Issue**' beginning on page 278.

Our Company shall receive an in-principle approval for listing of the Rights Equity Shares on the Stock Exchange i.e. BSE and NSE to be issued pursuant to this Issue from Rights Equity Shares pursuant to letter bearing reference no. LOD/RIGHT/AB/FIP/342/2023-24 dated May 30, 2024 and reference no. NSE/LIST/41439 dated June 26, 2024 respectively. Our Company shall also make applications to stock exchange to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year means a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high/low/closing price, the date with higher volume has been considered.
5. All the data entered in the tables has been obtained from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

### STOCK MARKET DATA OF THE EQUITY SHARES

The Equity Shares of our Company are listed on the BSE and NSE.

The high, low and average prices recorded on **BSE**, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High	Volume (No. of Equity Shares)	Date of Low	Low	Volume (No. of Equity Shares)	Average Price for the FY
2024-2023	28-07-23	78.72	12528	28-03-24	2.21	28,71,840	25.49
2023-2022	09-09-22	133.90	12,132	02-11-22	29.65	25,122	74.23
2022-2021	31-03-22	57.75	90,000	16-04-21	7.95	6,000	29.57

The high, low and average prices recorded on **NSE**, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High	Volume (No. of Equity Shares)	Date of Low	Low	Volume (No. of Equity Shares)	Average Price for the FY
2024-2023	28-07-23	78.00	54,042	28-03-24	2.25	19,94,421	25.68
2023-2022	23-08-22	128.85	25,158	02-11-22	29.65	1,22,064	75.54
2022-2021	*NA	NA	NA	NA	NA	NA	NA

**\*The Company migrated its securities to the Main Board of the BSE with Scrip Code 541303 on May 20,2022 and also received Listing and Trading Approval of its securities with the Main Board of NSE Exchange bearing Symbol AKSHAR w.e.f. May 23,2022.**



**\*\* During the quarter ended 30th September, 2023, our Company has carried out-corporate action on 31st July, 2023 ("Record Date"), for sub-divison/split of existing Equity Shares of the Company from 1(One) Equity Share having face value of Rs. 10/- (Rupees Ten Only) each fully paid up, into 10 (Ten) Equity Share of the face value of Re. 1/- (One) each fully paid up. The post-split share capital of the Company stands at 29,99,88,000 (Twenty Nine Crores Ninety Nine Lakhs Eighty Eight Thousand Only) equity shares of Re. 1/- each.**

#### Stock data for the last six months

The high, low, and average prices recorded on the **BSE**, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Month	Date of High	High	Volume (No. of Equity Shares)	Date of Low	Low	Volume (No. of Equity Shares)	Weighted Average Price
July-24	30-07-24	2.70	15,11,566	22-07-24	2.11	11,43,283	2.44
June-24	04-06-24	2.78	2,29,092	06-06-24	2.50	4,01,009	2.59
May-24	23-05-24	2.75	4,59,979	10-05-24	2.32	1,36,273	2.54
April-24	08-04-24	2.75	2,37,769	01-04-24	2.10	7,52,588	2.52
Mar-24	02-03-24	3.57	1,50,481	28-03-24	2.21	28,71,840	2.73
Feb-24	01-02-24	5.20	11,46,785	29-02-24	3.34	5,28,344	4.09

The high, low, and average prices recorded on the **NSE**, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Month	Date of High	High	Volume (No. of Equity Shares)	Date of Low	Low	Volume (No. of Equity Shares)	Weighted Average Price
July-24	30-07-24	2.70	28,46,955	22-07-24	2.12	43,04,996	2.43
June-24	03-06-24	2.80	17,15,582	05-06-24	2.50	10,14,622	2.61
May-24	23-05-24	2.75	13,89,415	13-05-24	2.25	11,00,628	2.57
April-24	05-04-24	2.75	16,37,158	01-04-24	2.15	45,68,740	2.44
Mar-24	05-03-24	3.55	33,62,314	28-03-24	2.25	19,94,421	2.86
Feb-24	01-02-24	5.20	27,94,791	29-02-24	3.30	16,25,480	4.20

The Board has approved the Issue at their meeting held on April 12, 2024.

The high and low prices of Equity Shares as quoted on the BSE on April 15, 2024, the day on which the trading in the Equity Shares happened immediately following the date of the Board meeting are as follows:

Date	High	Low	Volume (No. of Equity Shares)	Weighted Average Price
15-04-24	2.55	2.55	1,64,324	2.55

The high and low prices of Equity Shares as quoted on the NSE on April 15, 2024, the day on which the trading in the Equity Shares happened immediately following the date of the Board meeting are as follows:

Date	High	Low	Volume (No. of Equity Shares)	Weighted Average Price
15-04-24	2.50	2.50	11,35,522	2.5

The Issue Price of ₹ 1 (Rupee One Only) per Equity Share has been arrived at by our Company.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the section titled 'Financial Information' beginning on page 109 of this Letter of Offer.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read the section titled 'Forward Looking Statements' and 'Risk Factors' and beginning on pages 20 and 26, respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*You should read the following discussion and analysis of our financial condition and results of operations together with the Financial Statements, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act and SEBI ICDR Regulations.*

*The following discussion of our financial condition should be read in conjunction with our Audited Financial Statements for the years ended on March 31, 2024, March 31, 2023 and March 31, 2022 including the schedules and notes thereto and the reports thereto, which appear in the section titled 'Financial Information' beginning on page 109 of this Letter of Offer. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be 'Forward Looking Statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Incorporated in 2013, we are engaged in manufacturing of cotton yarn. We manufacture 100% cotton yarn which include combed, semi combed and carded yarn. Our registered office is situated at Revenue Survey No.102/2 Paiki, Plot No. - 2 Village: Haripar, Ranuja Road. Tal: Kalavad. Jamnagar – 361013, Gujarat, India. The manufacturing facility of our Company is situated at Kalavad of Jamnagar District in Gujarat state in 1,83,437 sq. ft. area which is in the vicinity of the rich cotton growing areas of Gujarat. The company has installed a capacity of total 24,480 spindle. Technology is a crucial aspect of the cotton yarn industry. The level of advancement determines the productivity of machines and labour, which in turn, determines the production and profitability of our Company. Our technical team is equipped with modern spinning technology and processing techniques by virtue of which we are able to ensure quality yarn.

For further details, please refer to the section titled '**Business Overview**' beginning on page 84.



## FINANCIAL PERFORMANCE

The financial performance of our Company for the year ended on March 31, 2024, March 31, 2023 and March 31, 2022 is as follows:

Particulars	for the financial year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Total Revenue	17791.41	13792.16	17557.22
EBITDA	1068.51	196.63	1639.01
Net Profit/ (loss) after tax	345.51	-276.43	697.69

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled '**Risk Factors**' beginning on page 26 of this Letter of Offer.

Our Company's future results of operations could be affected potentially by the following factors:

- Company's ability to successfully implement our strategy, our growth and expansion;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Inability to successfully obtain registrations in a timely manner or at all;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Changes in laws and regulations relating to the industries in which we operate;
- Intensified competition in industries/sector in which we operate;
- Our ability to attract, retain and manage qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to expand our geographical area of operation.
- Our ability to purchase the material and the availability of the same at reasonable prices;
- Changes in the SEBI and RBI regulations, interest rates and tax laws in India.
- Cordial relationship with our customers, Experience of our Promoters, Quality of our products, Customer Satisfaction.

## SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in Financial Statements. For details of our significant accounting policies, please refer chapter titled '**Financial Information**' beginning on page 109 of this Letter of Offer.

## CHANGES IN ACCOUNTING POLICIES

Except as mentioned in section titled '**Financial Information**' beginning on page 109 of this Letter of Offer, there has been no change in accounting policies in last 3 years.

## RESERVATIONS, QUALIFICATIONS, MATTER OF EMPHASIS, ADVERSE REMARKS / OTHER OBSERVATIONS IN CARO

Except as mentioned below and in the section titled '**Financial Information**' beginning on page 109 of this Letter of Offer, there are no reservations, qualifications, matter of emphasis, adverse remarks or other observations in CARO.



## **FY 2023-24**

### **Emphasis of Matter**

*We draw your attention to Note 38.2 to the financial statements where the Company's management has stated that outstanding balances, if any, at the year end in respect of trade receivables, trade payables etc. are subject to confirmation from those respective parties and consequential reconciliation or adjustments arising there from. These have not been independently verified by us during the year under review. Any adjustment to the value of such balances as appearing in the balance sheet of the Company may have an effect on the profit and net assets of the Company for the period and year ended March 31, 2024.*

*Our opinion is not modified in respect of this matter.*

## **FY 2022-23**

### **Emphasis of Matter**

*The Company's management is responsible for carrying out the balance confirmation and reconciliations with various debtors, creditors and advances. These have not been independently verified by us during the year under review. Any adjustment to the value of such balances as appearing in the balance sheet of the Company may have an effect on the profits and net assets of the Company for the period and year ended March 31, 2023.*

*Our opinion is not modified in respect of these matters.*

## **FY 2021-22**

### **Emphasis of Matter**

*To assess the recoverability of certain assets, the Company has considered internal and external information up to the date of this report in respect of the current and estimated future Indian economic indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.*

*Our opinion is not modified in respect of this matter. We draw attention to note no. 4 of the half yearly financial results with respect to Covid-19 impact on the financial statement.*

*a. We draw your attention that the Company has not complied with the provisions of AS 15 — Employee Benefits with respect to creating a provision for leave encashment expense payable to its employees. The Company determines the liability for defined benefit plans on actual payment basis only.*

*b. The Company's management is responsible for carrying out the inspection of its inventories on a regular basis. We have not independently verified the inventories of the Company during the year under review. Any adjustment to the value of inventories as appearing in the balance sheet of the Company may have an effect on the profit and net assets of the Company for the period and year ended March 31, 2022.*

*c. The Company's management is responsible for carrying out the balance confirmation and reconciliations with various debtors, creditors and advances. These have not been independently verified by us during the year under review. Any adjustment to the value of such balances as appearing in the balance sheet of the Company may have an effect on the profits and net assets of the Company for the period and year ended March 31, 2022.*

## **RESULT OF OUR OPERATION**

The following discussion on results of operations should be read in conjunction with the Financial Statements of the Company for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022

**(₹ in Lakhs)**



Particulars	March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Revenue From Operations	17,495.51	98.34	13553.25	98.27	17210.84	98.03
Other Income	295.90	1.66	238.91	1.73	346.38	1.97
<b>Total Income</b>	<b>17791.41</b>	<b>100</b>	<b>13792.16</b>	<b>100</b>	<b>17557.22</b>	<b>100.00</b>
Cost of Goods traded	14740.39	82.85	12029.40	87.22	13746.71	78.30
Employee Benefits Expense	480.63	2.70	504.63	3.66	754.50	4.30
Finance Cost	133.34	0.75	171.73	1.25	256.23	1.46
Depreciation And Amortization Expense	433.57	2.44	426.97	3.10	421.19	2.40
Other Expenses	1501.88	8.44	1078.42	7.82	1417.01	8.07
<b>Total Expenses</b>	<b>17289.81</b>	<b>97.18</b>	<b>14211.16</b>	<b>103.04</b>	<b>16595.65</b>	<b>94.52</b>
<b>Profit / (Loss) before tax</b>	<b>501.60</b>	<b>2.82</b>	<b>-419.00</b>	<b>-3.04</b>	<b>961.58</b>	<b>5.48</b>
<b>Tax Expense</b>						
- Current Tax	84.28	0.47	-	-	116.30	0.66
- Deferred Tax	71.81	0.40	-142.56	-1.03	147.60	0.84
<b>Profit/(Loss) After Tax</b>	<b>345.51</b>	<b>1.94</b>	<b>-276.43</b>	<b>-2.00</b>	<b>697.69</b>	<b>3.97</b>

## Financial Year 2024 compared to Financial Year 2023

### A) Total Revenue:

Our total revenue for the Fiscal 2024 was ₹ 17791.41 Lakhs as compared to ₹ 13792.16 Lakhs for the Fiscal 2023, representing an increase of 29 %. Total revenue comprises of:

#### i) Revenue from Operations

Our revenue from operations for the Fiscal 2024 was ₹17,495.51Lakhs as compared to ₹ 13553.25 Lakhs for the Fiscal 2023, representing an increase of 29.09 % due to increase of sales.

#### ii) Other income

Other income for the Fiscal 2024 was ₹295.9 Lakhs as compared to ₹ 238.91 Lakhs for the Fiscal 2023, representing an increase of 23.85 %.

### B) Expenses:

Our total expenditure for the Fiscal 2024 was ₹ 17289.81Lakhs as compared to ₹14211.16 Lakhs for the Fiscal 2023, representing an increase of 21.66 %. Total expenditure comprises of:

#### i) Cost of Goods traded

The purchase of Stock in trade for the Fiscal 2024 was ₹14740.39 Lakhs as compared to ₹12029.4 Lakhs for the Fiscal 2023, due to the increase of revenues in the Company.

#### ii) Employee benefit expenses

Employee benefit expense for the Fiscal 2024 was ₹ 480.63 Lakhs as compared to ₹ 504.63 Lakhs for the Fiscal 2023. This decrease was due to decrease in the salary & wages of employees.



**iii) Finance cost**

Finance cost for the Fiscal 2024 was ₹ 133.34 Lakhs as compared to ₹ 171.73 Lakhs for the Fiscal 2023. The decrease in finance cost is due to decrease in outstanding borrowing amount.

**iv) Depreciation And Amortization Expense**

Depreciation and Amortization Expense for the Fiscal 2024 was ₹433.57 Lakhs as compared to ₹ 426.97 Lakhs for the Fiscal 2023. This is due to increase in Property, Plant & Equipment.

**v) Other expenses**

Other expenses for the Fiscal 2024 were ₹ 1501.88 Lakhs as compared to ₹ 1078.42 Lakhs for the Fiscal 2023, representing an increase of 39.27 %. The increase was mainly due to increase in various direct and indirect expenses legal, professional and consultancy and electricity charges.

**C) Profit/(loss) before tax:**

Profit/ (loss) before Tax for Fiscal 2024 was ₹ 501.60 Lakhs as compared to (₹ 419) Lakhs for Fiscal 2023, representing a positive yield on the capital employed. This increase was primarily due to increase in revenue from operations.

**D) Tax expenses:**

Total tax expense for the Fiscal 2024 was ₹ 156.09 Lakhs as compared to ₹ (142.56) Lakhs for Fiscal 2023.

**E) Profit/(loss) after tax:**

For the reasons discussed above, the profit after tax for the Fiscal 2024 was ₹ 345.51 Lakhs as compared to loss of ₹ 276.43 for the Fiscal 2023.

**Material Frauds**

There are no material frauds committed against our Company in the last three financials year.

**Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Letter of Offer, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the section titled ‘*Risk Factors*’ and ‘*Management's Discussion and Analysis of Financial Condition and Results of Operations*’ beginning on page 26 and 252, respectively, of this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

**Future changes in the relationship between costs and revenues**

Other than as described in the section titled ‘*Risk Factors*’ and ‘*Management's Discussion and Analysis of Financial Condition and Results of Operations*’ beginning on pages 26 and 252 respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation, government policies and other economic factors.

**New products or Business segments**

Except as disclosed in this Letter of Offer, we have not announced and do not expect to announce in the near future any new products/ services or business segment.

**Competitive Conditions**





We expect competition in our business from existing and potential competitors to intensify. We face competition from both organised and unorganised players in the market. We believe our expertise and quality service offerings with distinguished experience will be key to overcome competition posed by such players. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the quality and pricing of our services. We have developed certain competitive strengths over a period which have been discussed in section titled '**Risk Factor**' & '**Business Overview**' beginning on pages 26 and 84 of this Letter of Offer.

### Significant dependence on a Single or Few Suppliers or Customers:

Other than as described in this Letter of Offer, particularly in section titled '**Risk Factors**' beginning on page 26, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

### Seasonality of Business

Our business is subject to seasonal variations.

### Related Party Transactions

We enter various transactions with related parties in the ordinary course of business. The related party transaction (RPT) is in the nature of Loan as reported in the Financial Statements and details are reproduced herein:

Statement showing details of related party outstanding balances:

Particular	Nature of transaction	(₹ in Lakhs)		
		As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Rekhaben Chauhan	Loan	56.89	56.89	56.89
	Interest Payable	-	-	4.60
Ilaben Pagdhar	Loan	79.00	79.00	79.00
	Interest Payable	-	-	6.38
Rajdeepbhai Patel	Loan	25.40	25.40	25.40
Amitbhai Gadhiya	Loan	101.74	126.99	-
	Interest Payable	-	-	10.27
Harikrushna Chauhan	Loan	82.65	168.15	298.19
	Interest Payable	-	-	18.22

For further information relating to our related party transactions see section titled '**Financial Information**' beginning on page 109 of this Letter of Offer.

### MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen after the date of last Balance Sheet i.e. March 31, 2024, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

#### 1. Changes in Board of Directors and KMP

Action	Name of the Director	DIN	Designation	With effect from
Resignation	Mr. Jagdishbhai Dhirubhai Otradi	NA	Chief Financial Officer	May 28, 2023
Resignation	Mr. Pratik Mukeshbhai Makwana	NA	Company Secretary & Compliance Officer	August 01, 2023
Reappointment	Mrs. Ilaben Dineshbhai Paghdar	07591339	Executive Director	September 29, 2023



Reappointment	Mr. Amit Vallabhnbhai Gadhiya	06604671	Managing Director	January 08, 2023
Reappointment	Mr. Harikrushna Shamjibhai Chauhan	07710106	Chairman cum Whole time Director	January 08, 2023
Appointment	Mrs. Bharti Girdharbhai Ajudiya	NA	Company Secretary & Compliance Officer	October 19, 2023
Appointment	Mrs Poonam Pratik Kapupara	NA	Chief Financial Officer	February 26, 2023
Resignation	Mrs. Bharti Girdharbhai Ajudiya	NA	Company Secretary & Compliance Officer	July 21, 2024

2. Appointment of CS Piyush Jethva, Practicing Company Secretaries as a Secretarial Auditor of the Company for the financial year 2023-2024.
3. Appointment of M/s. Mitesh Suvagiya & Co. Practicing Cost Accountant as a Cost Auditor of the Company for the financial year 2023-2024.
4. Board of Directors at its meeting held on May 27, 2023 approved the Sub-Division/ Split of existing 1 (One) Equity Share having face value of Rs. 10/- (Rupees Ten Only) each fully paid up into 10 (Ten) Equity Shares of Re. 1/- (Rupee One Only) each fully paid up and the same was approved by the shareholders resolution dated July 11, 2023 (deemed date of passing the resolution) through Postal Ballot.

The Board of Directors have fixed the record date as July 31, 2023. Consequent upon the receipt of Approval from BSE and NSE, the issued subscribed and paid up share capital of the Company stands at Rs. 24,99,90,000/- (Rupees Twenty-four Crores Ninety-nine Lakhs Ninety Thousand only) divided into 24,99,90,000 (Twenty- four Crores Ninety-nine Lakhs Ninety Thousand) shares of Re. 1/- (Rupee one only) each.

5. The Company has altered Clause V of the Memorandum of Association (MOA) vide the shareholder's resolutions passed on July 11, 2023 (deemed date of passing the resolution) through Postal Ballot.
6. Board of Directors at its meeting held on December 22, 2023 declared an Interim Dividend @1% i.e. 1.00/- paisa per Equity Share of face value of Re. 1 /- each for the financial year 2023-2024 to such members whose names have appeared in the Register of Members as on January 04, 2023, being the record date for the said purpose.
7. Board of Directors at its meeting held on December 22, 2023 has approved the allotment of 4,99,98,000 Equity Shares of Re. 1/- each by way of bonus issue to such members whose names have appeared in the Register of Members as on February 15, 2024, being the Record Date fixed for the said purpose, in the proportion of 1 (One) new fully paid-up Equity Share of Re. 1/- each for every 5 (Five) existing fully paid up Equity Share of Re. 1/- each held by them, (i.e., in the ratio of 1:5). The same was approved vide the shareholders resolution dated February 07, 2024 through Extra ordinary General Meeting. Consequent to said above allotment the issued, subscribed and paid-up equity share capital of the Company has increased from Rs. 24,99,90,000/- to Rs. 29,99,88,000/-. The Company received Listing and trading Approval for the same from BSE and NSE vide letter no. LOD / BONUS / SV / 415/ 2023-2024 dated February 23, 2024 and letter no. NSE/LIST/ 40246 dated February 23, 2024 respectively.
8. The Company has increased its authorised capital of the Company from 25,00,00,000/- (Rupees Twenty-Five Crore Only) divided into 25,00,00,000/- (Twenty-Five Crore) equity shares of Re. 1/- (Rupees One Only) each fully paid up to Rs. 82,00,00,000/- (Rupees Eighty-Two Crore Only) divided into 82,00,00,000/- (Eighty-Two Crore) equity shares of Re. 1/- (Rupees One Only) each fully paid up each ranking pari passu in all respect with the existing Equity Shares of the Company vide the shareholder's resolutions passed on February 07, 2024.
9. In collaboration with Onix Renewable Limited, a renowned name in the renewable energy sector, we are set to install a Solar Ground Mounted System with a capacity of 7000 KVA(7MW), complemented



by an 11KV transmission line. The installation process is well underway and is slated for completion by September 2024.

10. Resignation of CS Piyush Jethva, Practicing Company Secretaries from the office of Secretarial Auditor of the Company.
11. Appointment of M/S D N Vora & Associates, Practicing Company Secretaries as a Secretarial Auditor of the Company for the financial year 2023-2024.
12. Appointment of M/s. Mitesh Suvagiya & Co. Practicing Cost Accountant as a Cost Auditor of the Company for the financial year 2024-2025.

**OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS**

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There are no outstanding litigations involving our Company and/or our Subsidiaries/associates whose financial statements are included in the letter of offer either separately or in a Consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues.*

*Further, neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries and Directors have been declared as wilful defaulters or fraudulent borrowers by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.*

*Further, apart from those as stated below, there are no show-cause notices / claims served on the Company, its Promoters, its Directors or its Subsidiary Companies from any statutory authority / revenue authority that would have a material adverse effect on our business.*

- *For the purpose of determining materiality, the threshold shall be determined by the issuer as per regulations provided under SEBI (LODR) Regulations;*

*a. All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Subsidiary Companies, as the case may be, shall be deemed to be material;*

*b. All other pending litigation involving our Company, Promoters, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if (1) two percent of turnover, as per the last audited financial statements of the listed entity; (2) two percent of net worth, as per the last audited financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;(3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited financial statements of the Company.*

*Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.*

**I. LITIGATION INVOLVING OUR COMPANY**

**1) Litigations Against Our Company**

Nature of Cases	Details
<b>Civil</b>	2
<b>Criminal</b>	1
<b>Indirect Tax (Litigation – Orders / Appeals)</b>	1
<b>Direct Tax (Litigation – Orders / Appeals)</b>	Details in Annexure A

**CIVIL CASES**

1. One of the Ex-director Mr. Manoj Baldha had filed a Civil Case No. 39/2019 in Year 2019 before Civil Court Rajkot against our Company Akshar Spintex Limited under section 31 of Contract Act,1872 and others regarding the matter of non-transfer of shares in his name. The above case is not disposed of.

**Stage:** summons -notice

**Next hearing date:** 20.09.2024

2. One of the Ex-director Mr. Manaj Baldha had filed a Petition before the National Company Law Tribunal at Ahmedabad, Gujarat bearing Appeal /1(AHM)2021 with IA/19(AHM)2022 under section 59 of the Companies Act,2013 in respect to rectification of Register of Members regarding the matter of non-transfer of shares in his name.

In the Petition before the National Company Law Tribunal at Ahmedabad, Gujarat bearing Appeal /1(AHM)2021 with IA/19(AHM)2022 under section 59 of the Companies Act,2013. The National Company Tribunal vide it's Order dated 27/06/2024 that the amount realised through sale of share by the Respondent shall be paid to the appellant Mr. Manoj Baldha within 15 days from the pronouncement of the Order & remaining 500 share to be restored to the Appellant by the Respondent No.6 Nipaben Vikasbhai Sorathia and further the Hon'ble NCLT dropped the said matter against the Company.

Nipaben Vikasbhai Sorathia filed an Appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT), Delhi against the order of the Hon'ble NCLT dated 27/06/2024. The Company is also added one of the respondent in the said appeal as Respondent No. 02. The Hon,ble NCLAT stayed the Order of the NCLT vide Order dated 31/07/2024.

List on : 27/09/2024

3. Manoj Baldha has filed complaint dated 12.04.2024 against Our Company Akshar Spintex Limited before Government of India Ministry of Corporate affairs for violation of section 36 /56 /58 /118 /129 /131 /206 /447 /448 of the Companies Act,2013 for fraudulent actions and corrupt practices of the Akshar Spintex Limited and its authorized Directors, for transfer 24,00,000 equity share.

Whereas company has filed reply on 20/06/2024. It is to be noted that there is no case is being filed against the Company. The said matter is still pending before the Office of Registrar of Companies, Gujarat, Ministry of Corporate Affairs.

### **CRIMINAL CASES**

1. Mr. Manoj Baldha the Complainant had filed a Criminal Complaint before the Hon'ble Judicial First Class At Rajkot bearing complaint No. 17328/2022 In year 2022 under provisions of the code of criminal procedure,1973 for registration of FIR under section 120A,120 B, 403, 406, 415, 450, 426, 465, 467, 468, 470, 474, 504 and 506 of IPC for cheating and fraud and forgery for the transfer of 24,00,000 shares amounting to Rs.10/- each regarding the matter of non-transfer of shares in his name.

The above case is not disposed of.

**Next hearing date:** 23-08-2024

### **INDIRECT TAX**

1. Office of the Principal Commissioner, Central GST Commissioner, Rajkot issued show cause notice dated 06-09-2023 to our company for the purpose of adjudication for tax period February,2018 to May,2018 for FY 2017-2018 & 2018-19 under Gujarat Goods and Services Act,2017/Integrated Goods & Services Act,2017 under section 74 (1),Section 74 (11),Section 50 of the CGST Act,2017/Gujarat Act,2017 and section 20 of the integrated Goods and Services Act,2017.The Intelligence gathered suggested that the Company had availed irregular ITC of Rs.10,07,280/- on the expenses incurred towards Initial Public offering.

The Company has already submitted its response to the said Show-cause Notice and the Final Order is pending.

## DIRECT TAX

### ANNEXURE-A

Particulars of the Case	Provision of the Statute	Amount Involved (in ₹)	Category - Civil / Criminal
Appeal to the Commissioner of Income-tax	Section 115JB	Rs.1,19,15,780/-	-

#### 1. DIN & Order No: ITBA/AST/S/143(3)/2021- 22/1032704501(1)

The return of income of our Company for A.Y. 2018-19 was e-filed on 19.09.2018 declaring total income at Rs. Nil. The same was revised on 16.02.2019 with Nil income. Taxes were paid under section 115JB of the Act. An income tax survey was carried out in which our company was selected for scrutiny and the assessment was transferred to Central Circle. In the course of assessment proceedings, the A.O. made addition of Rs. 26,271/- on account of alleged discrepancy in stock under section 69 and Rs. 47,576/- on account of creditors under section 68 of the Act.

Further, the A.O. made huge addition of Rs. 3,82,29,099/- on account of low GP after rejection of books of accounts. The A.O. failed to appreciate that mere fall in GP can never be a valid ground for rejection of books which legal position is settled for years.

The A.O. also made the aforesaid 3 additions to the book profit of our company computed under section 115JB. Being aggrieved by the above High Pitched and erroneous assessment, the Company has preferred Appeal before Commissioner of Appeal. The said Appeal relates to disputed tax demand of Rs.1,19,15,780/-.

**Current Status:** Appeal to the Commissioner of Income-tax (Appeals is pending.)

#### List of Demand Notices on Company:

AY	Name of Assessee	Date of demand raised	Outstanding demand amount	Interest	Total Amount Involved (in ₹)
2018	Akshar Spintex Limited	28-02-2022	4704	1007	5711
2018	Akshar Spintex Limited	02-02-2023	7275410	768897	8044307
<b>Total</b>			<b>7280114</b>	<b>769904</b>	<b>8050018</b>

#### 2) Litigations By Our Company

Nature of Cases	Details
Civil	1
Criminal	Nil
Indirect Tax (Litigation - Orders / Appeals)	Nil
Direct Tax (Litigation - Orders / Appeals)	Nil

#### CIVIL CASES

- The Company has filed before Civil Court at Rajkot a case bearing no. SPCS /52/2020,5 before Additional Sr. Civil Judge & A.C.J.M under Section 7 of Specific Relief Act,1963 against one of the Ex-director of our Company Mr. Manoj Baldha for defamation claiming Rs.50,00,00,000/-.



The Company proceed to file this Case for the defamation of the company by Mr. Manoj Badhla for spoiling the Image of the Promoters and Directors without any base or fake cases filed at various courts.

Next hearing date: 22.04.2024

## II. LITIGATION INVOLVING OUR PROMOTER / DIRECTORS / KMPs

### 1) Litigations Against the Promoters / Directors / KMPs

Nature of Cases	Details
Civil	2
Criminal	1
Indirect Tax (Litigation - Orders / Appeals)	Nil
Direct Tax (Litigation - Orders / Appeals)	Nil
Others	Nil

#### CIVIL CASES

**1. Against Mrs. Rekhaben Harikrushnabhai Chauhan (One of the promoters) and Mr. Amit Vallabhbhai Gadhiya and Mr. Harikrushna Shamjibhai Chauhan (Promoter-Director) and Mrs. Ilaben Dineshbhai Paghdar, Mr. Nirala Indubhai Joshi and Mr. Rohit Bhanjibhai Dobariya (Directors)**

One of the Ex-director Mr. Manoj Baldha had filed a Civil Case No. 39/2019 in Year 2019 before Civil Court Rajkot under section 31 of Contract Act,1872 and others regarding the matter of non-transfer of shares in his name. The above case is not disposed of.

**Stage:** summons -notice

**Next hearing date:** 20.09.2024

**2. Against our existing Promoter and Directors namely Mr. Amit Vallabhbhai Gadhiya and Mr. Harikrushna Shamjibhai Chauhan (Promoter-Director) and Mrs. Ilaben Dineshbhai Paghdar (Director)**

One of the Ex-director Mr. Manaj Baldha had filed a Petition before the National Company Law Tribunal at Ahmedabad, Gujarat bearing Appeal /1(AHM)2021 with IA/19(AHM)2022 under section 59 of the Companies Act,2013 in respect to rectification of Register of Members regarding the matter of non-transfer of shares in his name.

In the Petition before the National Company Law Tribunal at Ahmedabad, Gujarat bearing Appeal /1(AHM)2021 with IA/19(AHM)2022 under section 59 of the Companies Act,2013. The National Company Tribunal vide it's Order dated 27/06/2024 that the amount realised through sale of share by the Respondent shall be paid to the appellant Mr. Manoj Baldha within 15 days from the pronouncement of the Order & remaining 500 share to be restored to the Appellant by the Respondent No.6 Nipaben Vikasbhai Sorathia and further the Hon'ble NCLT dropped the said matter against our existing Promoter and Directors namely Mr. Amit Vallabhbhai Gadhiya and Mr. Harikrushna Shamjibhai Chauhan (Promoter-Director) and Mrs. Ilaben Dineshbhai Paghdar (Director).

Nipaben Vikasbhai Sorathia filed an Appeal before the Hon'ble National Company Law Appellate Tribunal (NCLAT), Delhi against the order of the Hon'ble NCLT dated 27/06/2024. The existing Promoter and Directors namely Mr. Amit Vallabhbhai Gadhiya and Mr. Harikrushna Shamjibhai Chauhan (Promoter-Director) and Mrs. Ilaben Dineshbhai Paghdar (Director) is also added one of the respondent in the said appeal as Respondent No. 02. The Hon,ble NCLAT stayed the Order of the NCLT vide Order dated 31/07/2024.

## CRIMINAL CASES

### 1. Against our existing Promoter and Directors namely Mr. Amit Vallabhbhai Gadhiya and Mr . Harikrushna Shamjibhai Chauhan (Promoter-Director) and Mrs. Ilaben Dineshbhai Paghdar (Director)

Mr. Manoj Baldha the Complainant had filed a Criminal Complaint before the Hon'ble Judicial First Class At Rajkot bearing complaint No. 17328/2022 In year 2022 under provisions of the code of criminal procedure,1973 for registration of FIR under section 120A,120 B, 403, 406, 415, 450, 426, 465, 467, 468, 470, 474, 504 and 506 of IPC for cheating and fraud and forgery for the transfer of 24,00,000 shares amounting to Rs.10/- each regarding the matter of non-transfer of shares in his name.

The above case is not disposed of.

**Next hearing date:** 23-08-2024

## OTHERS

1. Security and Exchange Board of India dated July 1st 2024 sent show cause notice under rule 4 of the SEBI (Procedure for holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of AKSHAR SPINTEX LIMITED. Securities and Exchange Board of India has initiated Adjudication Proceedings under Section 15-1 of the Securities and Exchange Board of India Act, 1992 ('SEBI Act, 1992', in short) in respect of Mr. HarikrushnaShamjibhai Chauhan ('Noticee 1' / 'Company'); Ms. RekhabenHarikrushna bhai Chauhan ('Noticee 2'); Mr. Amit Vallabhbhai Gadhiya (Noticee 3'); HarikrushnaShamjibhai Chauhan (HUF) ('Noticee 4'); Ms.NarmadabenShamjibhai Chauhan ('Noticee 5'); Mr. Nayan Vallabhbhai Gadhiya (Noticee 6'); Ms. Kantaben Vallabhbhai Gadhiya ('Noticee 7'); Ms.Pooja Amit Gadhiya ('Noticee 8'); M/s. White Cott Fabrics ('Noticee 9') for the alleged violation of the provisions of Regulation 29(2) read with 29(3) of Securities and Exchange Board of India. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI (SAST) Regulations, 2011').

### List of Demand Notices on Promoters / Directors / KMPs:

AY	Name of Assessee	Date of demand raised	Outstanding demand amount	Interest	Total Amount Involved (in Rs)
2016	Rekhaben Harikrushnabhai Chauhan (Promoter)	23-12-2018	153950	129447	283397
2018	Rekhaben Harikrushnabhai Chauhan (Promoter)	18-02-2019	20490	7956	28446
2019	RekhabenHarikrushnabhai Chauhan (Promoter)	28-02-2020	6030	1560	7590
2023	RekhabenHarikrushnabhai Chauhan (Promoter)	10-06-2024	90010	4500	94510
2018	Harikrushna Shamjibhai Chauhan (Promoter-Director)	24-09-2019	14510	Nil	14510
2017	Harikrushna Shamjibhai Chauhan (Promoter-Director)	05-05-2018	1130	Nil	1130
2020	Harikrushna Shamjibhai Chauhan (Promoter-Director)	24-04-2024	5130	1989	7119



2016	Harikrushna Shamjibhai Chauhan (Promoter-Director)	12-05-2017	3540	Nil	3540
2010	Amit Vallabhbhai Gadhiya (Promoter-Director)	07-09-2011	48470	86855	135325
2019	Rohit Bhanjibhai Dobariya (Director)	26-02-2020	2390	Nil	2390
2020	Rohit Bhanjibhai Dobariya (Director)	08-03-2021	7810	2886	10696

## 2) Litigation By Promoters / Directors / KMPs

Nature of Cases	Details
Civil	1
Criminal	Nil
Indirect Tax (Litigation - Orders / Appeals)	Nil
Direct Tax (Litigation - Orders / Appeals)	Nil
Others	Nil

### CIVIL CASES

#### 1. By Mrs. Rekhaben Harikrushnabhai Chauhan (One of the promoters), Mr. Amit Vallabhbhai Gadhiya and Mr. Harikrushna Shamjibhai Chauhan (Promoter-Director) and Mrs. Ilaben Dineshbhai Paghdar and Mr. Rohit Bhanjibhai Dobariya (Directors)

Filed before Civil Court at Rajkot a case bearing no. SPCS /52/2020,5 before Additional Sr. Civil Judge & A.C.J.M under Section 7 of Specific Relief Act,1963 against one of the Ex-director of our Company Mr. Manoj Baldha for defamation claiming Rs.50,00,00,000/-.

We proceed to file this Case for the defamation of the company by Mr. Manoj Baldha for spoiling the Image of the Promoters and Directors without any base or fake cases filed at various courts.

Next hearing date: 11.09.2024

#### III. Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Letter of Offer, there are no issues of moral turpitude or criminal liability on the part of our Company.

#### IV. Proceedings involving Material Violations of Statutory Regulations by our Company

As on date of this Letter of Offer, there are no matters involving Material Violations of Statutory Regulations by our Company.

#### V. Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company.

#### VI. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company



As on date of this Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

## **VII. Litigation Involving Our Group Companies**

As on date of this Letter of Offer, there are no group companies.

## **VIII. Disclosures Pertaining to Fraudulent Borrowers**

Neither our Company, nor our Promoter or any of our Directors, are or have been categorized as a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

## **IX. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

## **X. MATERIAL DEVELOPMENT**

Other than as described in the section titled '*Risk Factors*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 26 and 252 respectively, there have been no significant developments after the last Balance Sheet date i.e. March 31, 2024 that may affect our future results of operations.



## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Letter of offer.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

### APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

#### 1) Approvals in Relation to the Issue

- i. The Board of Directors in pursuance of Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on April 12, 2024 have authorized the issue.
- ii. The Board of Directors vide Board resolution dated April 30, 2024, approved Draft Letter of Offer;
- iii. In-principle approval from the Stock Exchange i.e. BSE and NSE bearing reference number 'LOD/RIGHT/AB/FIP/342/2023-24' dated May 30, 2024 and reference no. 'NSE/LIST/41439' dated June 26, 2024 respectively to use the name of BSE and NSE for listing of the Equity Shares issued by our Company pursuant to the Issue;
- iv. The Board of Directors/Rights Issue Committee vide resolution dated August 17, 2024 approved the Rights Issue Price, Record Date, and other terms and conditions for the purpose of this Rights Issue;
- v. The Board of Directors/Rights Issue Committee vide Board resolution dated August 17, 2024, approved Letter of Offer;
- vi. The ISIN of the Company is INE256Z01025;
- vii. The ISIN for the Rights Entitlement is INE256Z20017.

#### 2) Corporate / General Authorizations

##### APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

Description	Registrar / Issuing Authority	Registration No. / Reference No. / License No.	Date of Creation	Date of Expiry
Certificate of Incorporation in the name of 'Akshar Spintex Limited'	Registrar of Companies, Ahmedabad, Gujarat	L17291GJ2013P / LC075677	19/06/2013	Valid until cancelled

### **TAX RELATED APPROVALS**

<b>Description</b>	<b>Registrar/Issuing Authority</b>	<b>Registration No. / Reference No. / License No.</b>	<b>Date of Expiry</b>
Permanent Account Number (PAN)	Income Tax Department, Government of India under Income Tax Act, 1961	AALCA7373E	Valid until cancelled
Tax Deduction and Collection Account Number (TAN)	Income Tax Department, Government of India under Income Tax Act, 1961	RKTA03923D	Valid until cancelled
Goods and Service Tax (GST)	Government of India	24AALCA7373 E1Z N	Valid until cancelled

### **APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

<b>Description</b>	<b>Registrar/Issuing Authority</b>	<b>Registration No. / Reference No. / License No.</b>	<b>Date of Expiry</b>
Certificate of Importer-Exporter Code (IEC)	Office of Jt. Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	2413009477	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are affected in the IEC by the concerned licensing authority.
MSME Registration	Ministry of Micro, Small and Medium Enterprises	UDYAM-GJ-10-0000549	Valid until cancelled

### **LABOUR RELATED APPROVALS/REGISTRATIONS**

<b>Description</b>	<b>Registrar/Issuing Authority</b>	<b>Registration No. / Reference No. / License No.</b>	<b>Date of Expiry</b>
License to work a Factory (under Factories Act, 1948 and Rules made thereunder)	Joint Director, Industrial Safety and Health, Rajkot Region	Registration No. 55318/13111/2014 License No. 22662	December 31,2027
Employees Provident Fund Registration (Under Provident Funds and Miscellaneous Provisions Act, 1952)	Employees Provident Fund Organisation, Ministry of Labour, Government of India	GJRAJ1061895	Valid until cancelled



## **ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS**

<b>Description</b>	<b>Registrar/Issuing Authority</b>	<b>Registration No. / Reference No. / License No.</b>	<b>Date of Expiry</b>
Consent to Operate issued by State Pollution Control Board under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation/ Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008	Gujrat Pollution Control Board	Consent Order No. AW-106375	December 19, 2024

## **OTHER BUSINESS-RELATED APPROVALS**

<b>Description</b>	<b>Registrar/Issuing Authority</b>	<b>Registration No. / Reference No. / License No.</b>	<b>Date of Expiry</b>
Fire No Objection Certificate	Station Fire Officer Gujarat State Fire Prevention Service – Kalavad	NOC. NO.33	September 18, 2025
Paschim Gujarat Vij Company Limited	Executive engineer, PGVCL, Rural division, Jamnagar	PGVCL/R&C/1 07773	Valid until cancelled

### **3) Material approvals in relation to our business operations - NIL**

### **4) Material Licenses and Approvals for which applications have been filed by our Company**

As on date this Letter of Offer there is no material approvals and licenses for which our Company has made an application for renewal.

### **5) Material Licenses and Approvals for which applications are yet to be filed by our Company**

As on date this Letter of Offer there is no material approvals and licenses for which our Company has required to make an application.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at its meeting held on April 12, 2024 pursuant to Section 62(1)(a) of the Companies Act, 2013.

Board of Directors/ Rights Issue Committee of our Company in their meeting conducted on August 17, 2024 approved this Issue inter-alia on the following terms.

<b>Issue Size</b>	Upto ₹ 4,874.81 Lakhs;
<b>Issue Price</b>	₹ 1/- (Rupee One Only) per Rights Equity Share issued at par;
<b>Issue Entitlement Ratio</b>	13 (Thirteen) Rights Equity Shares for every 8 (Eight) Equity Share held by Eligible Shareholders of our Company as on Record Date;
<b>Record Date</b>	Friday, August 23, 2024

This Letter of Offer has been approved by our Board of Directors pursuant to their resolutions dated August 17, 2024.

Our Company has received in-principle approval from Stock Exchange i.e. BSE and NSE in accordance with Regulation 28 (1) of SEBI Listing Regulations for listing of the Rights Equity Shares proposed to be allotted pursuant Issue vide a letter bearing reference no. LOD/RIGHT/AB/FIP/342/2023-24 dated May 30, 2024 and reference no. NSE/LIST/41439 dated June 26, 2024 respectively. Our Company will also make application to Stock Exchange to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars;

Our Company has been allotted the ISIN INE256Z20017 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company. Our Company has been allotted the ISIN INE256Z20017 both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled '*Terms of the Issue*' beginning on page 278 of this Letter of Offer.

### PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors, the members of our Promoter Group, persons in control of our Company have not been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/ court as on the date of this Letter of Offer.

The companies with which our Promoters, our directors or the persons in control of our Company are or were associated as directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoter nor any of our Directors, have been declared a Wilful Defaulter or Fraudulent Borrower or Fugitive Economic Offender as defined under SEBI (ICDR) Regulations.

There are no proceedings initiated by SEBI, Stock Exchange, or ROC, etc., against our Company, Promoters and Directors.

None of our Directors currently holds nor have held directorship(s) in the last five (5) years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed --Company which has been / was delisted from any stock exchange.

None of our Directors hold or have held directorships in the last ten (10) years in a listed company whose shares have been delisted from any recognised stock exchange in India during the term of their directorship in such company.



### **PROHIBITION BY RBI:**

Neither our Company, nor our Promoters or any of our Directors of have been categorized or identified or declared as a Wilful Defaulter or Fraudulent Borrower.

### **DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET:**

None of our Directors are associated with the securities market in any manner.

### **COMPLIANCE WITH COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018:**

Our Company and our Promoters are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

### **ELIGIBILITY FOR THE ISSUE**

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE as well as NSE. Our Company is eligible to offer Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations.

Further, pursuant to Clause (1) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is undertaking the Issue in compliance with Part B of Schedule VI to the SEBI ICDR Regulations.

### **COMPLIANCE WITH REGULATIONS 61 AND 62 OF THE SEBI (ICDR) REGULATIONS**

The present Issue being of less than ₹ 5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in);

Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for this Issue.

### **DISCLAIMER CLAUSE OF SEBI**

The Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹ 4900.00 Lakhs. The present Issue being of less than Rs. 5000.00 Lakhs, the Issuer shall prepare the Letter of Offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

### **DISCLAIMER CLAUSES FROM OUR COMPANY**

Our Company accepts no responsibility for statements made other than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue. Our Company accepts no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.



## CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

## DISCLAIMER WITH RESPECT TO JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

**NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.**

## DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue is BSE.

## DISCLAIMER CLAUSE OF BSE

As required, a copy of this Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

BSE Limited ("**Designated Stock Exchange**") has given, vide its letter bearing reference no. LOD/RIGHT/AB/FIP/342/2023-24 dated May 30, 2024 permission to this Company to use the Exchange's name in this Letter of Offer as tone of the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of Offer;
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.





## **DISCLAIMER CLAUSE OF NSE**

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Letter of Offer is set out below:

"National Stock Exchange of India Limited ("the Exchange") has given, vide its letter bearing reference no. NSE/LIST/41439 dated June 26, 2024 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition.

## **SELLING RESTRICTIONS**

The distribution of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form (*collectively, "Issue Materials"*) and the issue of Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges. Accordingly, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchange.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.



Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Issue Materials nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or date of such information.

**THE CONTENTS OF THIS LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHT SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHT SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS ENTITLEMENT OR THE RIGHTS SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENT OR THE RIGHTS SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

#### **NO OFFER IN THE UNITED STATES**

The rights entitlements and the Rights Equity Shares have not been and will not be registered under the United States securities act, 1933, as amended ("*Securities Act*"), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("*United States*" or "*U.S.*") or to, or for the account or benefit of "*U.S. Persons*" as defined in Regulation S ("*Regulation S*") under the securities act, except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and Rights Equity Shares referred to in this letter of offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ or rights entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the letter of offer and abridged letter of offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.



Accordingly, the letter of offer, the abridged letter of offer, entitlement letter, and application form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

**We, the Registrar or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:**

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations;**
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

And we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form. The Rights Entitlements may not be transferred or sold to any person in the United States.

## **FILING**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer was filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹ 4,874.81 Lakhs which does not require Issuer to file Letter of Offer with SEBI. The Company has filed Letter of Offer with the BSE and NSE for obtaining in-principle approval.

## **LISTING**

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

## **CONSENTS**

Consents in writing of Directors, Company Secretary, Chief Financial Officer, Statutory Auditor, Banker to the Company, Bankers to the Issue, Legal Counsels and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

## **EXPERT OPINION**

Except for the reports in the section titled '*Financial Information*' and '*Statement of Tax Benefits*' beginning on pages 109 and 68 respectively from the Statutory Auditors, our Company has not obtained any expert opinions.



## **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY**

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

## **STOCK MARKET DATA OF THE EQUITY SHARES**

Our Equity Shares are listed and traded on BSE and NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled '*Stock Market Data for Equity Shares*' on page 250 of Letter of Offer.

## **INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

### **1. Mechanism for Redressal of Investor Grievances**

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number '*CIR/OIAE/2/2011 dated June 3, 2011*'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, Bigshare Services Private Limited, for attending to routine grievances will be within 21 (Twenty one) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

### **2. Investor Grievances arising out of this Issue**

Any investor grievances arising out of the Issue will be handled by Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form



or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled ***‘Terms of the Issue’*** beginning on page 278.

The contact details of the Registrar to the Issue and the Managing Director of our Company are as follows:

<b>MANAGING DIRECTOR</b>	<b>REGISTRAR TO THE ISSUE</b>
<b>Mr. Amit Vallabhbhai Gadhiya</b>	<b>BIGSHARE SERVICES PRIVATE LIMITED</b>
<b>Registered Office:</b> Revenue Survey No.102/2 Paiki, Plot No. – 2, Village: Haripar, Ranuja Road. Tal: Kalavad. Jamnagar - 361 013, Gujarat, India	<b>Address:</b> Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093
<b>Contact No:</b> +91-7574887015	<b>Contact Person:</b> Mr. Suraj Gupta
<b>Email-ID:</b> <a href="mailto:info@aksharspintex.in">info@aksharspintex.in</a>	<b>Tel No.:</b> 022 - 62638200
<b>Website:</b> <a href="http://www.aksharspintex.in">www.aksharspintex.in</a>	<b>Email:</b> <a href="mailto:rightsissue@bigshareonline.com">rightsissue@bigshareonline.com</a>
	<b>Investor grievance e-mail:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>
	<b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
	<b>SEBI Registration No:</b> INR000001385

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are ([rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com) or 022 - 62638200/22)

**TERMS OF THE ISSUE**

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.*

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their application. For more details, please see the section titled '**Application by Eligible Shareholders holding Equity Shares in physical form**' beginning on page 300 of this Letter of Offer.*

*Investors are requested to note that application in this Issue can only be made through ASBA facility. For guidance on the application process through ASBA and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com).*

**OVERVIEW**

This Issue is proposed to be issued on a rights basis and is subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

**IMPORTANT****1. Dispatch and Availability of Issue Materials**

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ("*Issue Materials*") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights



Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company's website at [www.aksharspintex.in](http://www.aksharspintex.in);
- Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com);
- BSE's website at [www.bseindia.com](http://www.bseindia.com);
- NSE's website at [www.nseindia.com](http://www.nseindia.com) ;

Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date or Eligible Equity Shareholders who have not received the Application Form may apply, along with the requisite Application Money, by using the Application Form available on the websites above, or on plain paper, with the same details as mentioned in the Application Form available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form), and PAN. The link for the same shall also be available on the website of our Company at [www.aksharspintex.in](http://www.aksharspintex.in).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

**PLEASE NOTE THAT, OUR COMPANY AND THE REGISTRAR TO THE ISSUE WILL NOT BE LIABLE FOR NON-DISPATCH OF PHYSICAL COPIES OF ISSUE MATERIALS, INCLUDING THE LETTER OF OFFER, THE ABRIDGED LETTER OF OFFER, THE RIGHTS ENTITLEMENT LETTER AND THE APPLICATION FORM ATTRIBUTABLE TO THE NON-AVAILABILITY OF THE E-MAIL ADDRESSES OF ELIGIBLE EQUITY SHAREHOLDERS OR ELECTRONIC TRANSMISSION DELAYS OR FAILURES, OR IF THE APPLICATION FORMS OR THE RIGHTS ENTITLEMENT LETTERS ARE DELAYED OR MISPLACED IN TRANSIT.**

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except this Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly and Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to



in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

## 2. Facilities for Application in this Issue

**In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI ICDR Master Circular, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled 'Procedure for application through ASBA Process' on page 294 of this Letter of Offer.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see '**Credit of Rights Entitlements in demat accounts of Eligible Shareholders**' on page 281 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

### a. Procedure for application through ASBA Facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled '**Procedure for application through ASBA Process**' on page 294 of this Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms**





without depository account details shall be treated as incomplete and shall be rejected. For details see 'Grounds for Technical Rejection' beginning on page 304 of this Letter of Offer.

**Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '**Application on Plain Paper under ASBA process**' on page 297 of this Letter of Offer.

#### **b. Credit of Rights Entitlements in demat accounts of Eligible Shareholders**

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

1. The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
2. A demat suspense escrow account (namely, "**AKSHAR SPINTEX LIMITED - Unclaimed Securities-Suspense Escrow Account**") opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
  - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
  - ii. Equity Shares held in the account of IEPF authority; or
  - iii. The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
  - iv. Credit of the Rights Entitlements returned/ reversed / failed; or
  - v. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable; or
  - vi. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company;

Eligible Shareholders whose Rights Entitlements are credited in demat suspense escrow account opened by our Company as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by September 25, 2024, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. [www.bigshareonline.com](http://www.bigshareonline.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. **Monday, September 30, 2024** shall not be eligible to make an Application for



Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. [www.aksharspintex.in](http://www.aksharspintex.in))

### c. Procedure for Application by Eligible Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI ICDR Master Circular, SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Application by such Eligible Equity Shareholders is subject to following conditions:

- The Eligible Equity Shareholders are residents;
- The Eligible Equity Shareholders are not making payment from non-resident account;
- The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- The Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

*Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:*

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in '**Application on Plain Paper under ASBA process**' on page 297 of this Letter of Offer.

In accordance with the SEBI ICDR Master Circular, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of Res not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off-Market Renunciation.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the



suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

#### **d. Application for Additional Equity Shares**

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in '*Basis of Allotment*' beginning on page 307 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On-Market Renunciation / Off-Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Rights Entitlement through On-Market Renunciation / Off-Market Renunciation, please refer to the heading titled '*Procedure for application through ASBA Process*' on page 294 of this Letter of Offer.

#### **OTHER IMPORTANT LINKS AND HELPLINE**

The Investors can visit following links for the below-mentioned purposes:

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.bigshareonline.com](http://www.bigshareonline.com);
2. Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company [www.bigshareonline.com](http://www.bigshareonline.com);
3. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com);
4. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders [www.bigshareonline.com](http://www.bigshareonline.com) ;

#### **RENOUNCEES**

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

#### **AUTHORITY FOR THE ISSUE**

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on April 12, 2024, in accordance with the provisions of Section 62(1)(a) of the Companies Act, 2013.



The Board of Directors/Rights Issue Committee in their meeting held on August 17, 2024, have determined the Issue Price at ₹ 1/-per Equity Share and the Rights Entitlement as 13 (Thirteen) Rights Equity Share(s) for every 8 (Eight) Equity Shares held on the Record Date.

## **BASIS FOR THIS ISSUE**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date.

## **RIGHTS ENTITLEMENTS**

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID and Client-ID and PAN or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on our Company's website at [www.aksharspintex.in](http://www.aksharspintex.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. [www.bigshareonline.com](http://www.bigshareonline.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatched the Issue Materials only to Eligible Equity Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid email address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will also be provided to any existing Shareholder who makes a request in this regard.

The Issue Materials may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned e-mail sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange website. The distribution of the Issue Materials



and the issue of Right Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer filed with SEBI and Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Materials must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Materials in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Issue Materials received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Issue Materials that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

## **PRINCIPAL TERMS OF THIS ISSUE**

### **Face Value**

Each Rights Equity Shares will be having face value of ₹ 1/- (Rupee One Only).

### **Issue Price**

Each Rights Equity Share is being offered at a price of ₹ 1 (Rupee One only) per Rights Equity Share at par in this Issue.

The Issue Price for Rights Equity Shares has been arrived at by our Company and has been decided prior to the determination of the Record Date i.e. August 23, 2024.

### **Rights Entitlements Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 13 (Thirteen) Rights Equity Share(s) for every 8 (Eight) Equity Share(s) held by the Eligible Shareholders as on the Record Date i.e. Friday, August 23, 2024, which will be credited in the demat account of the Applicant after the Allotment.

### **Mode of Payment of Dividend**

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

### **Terms of Payment**

<b>Amount Payable Per Rights Equity Share</b>	<b>Face Value (₹)</b>	<b>Premium (₹)</b>	<b>Amount (₹)</b>
On Application	1.00	0.00	1.00

Each Rights Equity Share is being offered at a price of ₹ 1/- per Rights Equity Share at par, for every 13 Rights Equity Share allotted in this Issue.

Where an Applicant has applied for additional Rights Equity Shares and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within



such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

## Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. For details, see '**Procedure for Renunciation of Rights Entitlements**' on page 295 of this Letter of Offer.

In accordance with SEBI Rights Issue circulars the Eligible Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

## Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and
- b. A demat suspense escrow account (namely, "**AKSHARUnclaimed Securities-Suspense Escrow Account**") opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
  - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
  - ii. Equity Shares held in the account of IEPF authority; or
  - iii. The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
  - iv. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar;
  - v. Credit of the Rights Entitlements returned/ reversed / failed; or
  - vi. The ownership of the Equity Shares currently under dispute, including any court proceeding

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A Separate ISIN for the Rights Entitlements has also been generated which is INE256Z20017. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders whose Rights Entitlement are credited in demat suspense account, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue



Closing Date, i.e., by September 25, 2024, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. [www.bigshareonline.com](http://www.bigshareonline.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

**PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, PLEASE REFER TO THE PARAGRAPH TITLED 'PROCEDURE FOR APPLICATION THROUGH ASBA PROCESS' ON PAGE 294 OF THIS LETTER OF OFFER.**

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 13 (Thirteen) Rights Equity Share(s) for every 8 (Eight) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 8 (Eight) Equity Shares or is not in the multiple of 8 (Eight) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 10 (Ten) Equity Shares, such Equity Shareholder will be entitled to 16 (Sixteen) Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the right entitlement is in the ratio of 13 (Thirteen) Rights Equity Share(s) for every 8 (Eight) Equity Shares held hence there is no case of 'zero' entitlement in this Rights issue. Even the eligible shareholder holding 1 equity share is entitled to a minimum of 1 equity share.

### **Ranking of Equity Shares**

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.



The Rights Equity Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

### **Trading of the Rights Entitlements**

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE256Z20017. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On-Market Renunciation or through Off-Market Renunciation. The trades through On-Market Renunciation and Off-Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On-Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+1 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Rights Entitlement.

The On-Market Renunciation shall take place only during the Renunciation Period for On-Market Renunciation, i.e., from September 9, 2024 to September 24, 2024 (both days inclusive). No assurance can be given regarding the active or sustained On-Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see '**Procedure for Renunciation of Rights Entitlements – On-Market Renunciation**' and '**Procedure for Renunciation of Rights Entitlements – Off-Market Renunciation**' on page 296 and 296 respectively of this Letter of Offer.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

### **Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE and NSE through letter bearing reference number bearing reference no. 'LOD/RIGHT/AB/FIP/342/2023-24' dated May 30, 2024 and reference no. 'NSE/LIST/41439' dated June 26, 2024 respectively. Our Company will apply to the BSE for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The Rights Equity Shares shall be listed and admitted for trading on the Stock Exchanges under separate ISINs for Rights Equity Shares. The procedures for listing and trading of Rights Equity Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.





The existing Equity Shares are listed and traded on BSE as well as NSE bearing Scrip Code/Symbol **541303** and '**AKSHAR**' respectively and under ISIN **INE256Z01025**. The Rights Equity Shares shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (Four) days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

### **Subscription to this Issue by our Promoter and our Promoter Group**

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '**Intention and participation by the Promoter and Promoter Group**' under the section titled '**Capital Structure**' on page 58 of this Letter of Offer.

### **Rights of holders of Rights Equity Shares of our Company**

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

- a. The Rights Equity Shares shall rank *pari-passu* with the existing Equity Shares in all respects;
- b. The right to receive dividend, if declared;
- c. The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Shareholders;
- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Rights Equity Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.**

## **GENERAL TERMS OF THE ISSUE**

### **Market Lot**

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is 1 (One) Equity Share. Further, the Rights Equity Shares shall be allotted only in dematerialised form.

### **Minimum Subscription**

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.



## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

## **Nomination**

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

## **Arrangements for Disposal of Odd Lots**

The Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required.

## **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

## **Notices**

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation (Gujarati being the regional language of Ahmedabad where our Registered Office is situated).



The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

## **OFFER TO NON-RESIDENT ELIGIBLE SHAREHOLDERS/INVESTORS**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Rights Equity Shares to non-resident shareholders including additional Rights Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Equity Shares over and above their Rights Entitlements;
2. Renounce the Rights Equity Shares offered to them either in full or in part thereof in favour of a person named by them; or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com) or physically/postal means at the address of the Registrar mentioned on the cover page of this Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the e-mail address of non-resident Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of the Registrar, our Company, the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Right Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Right Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (*hereinafter referred to as "OCBs"*) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Shareholders can update their Indian address in the records maintained by the Registrar through email at [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com) and our Company through email at [cs@aksharspintex.in](mailto:cs@aksharspintex.in) by submitting their respective copies of self-attested proof of address, passport, etc.



## PROCEDURE FOR APPLICATION

### How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, i.e. Friday, August 23, 2024, see '**Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form**' on page 300 of this Letter of Offer.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

### Common Application Form (CAF)/ Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Shareholders only to:

- a. E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- b. Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- c. Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- d. E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

**Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit [www.bigshareonline.com](http://www.bigshareonline.com). Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- Our Company's website at [www.aksharspintex.in](http://www.aksharspintex.in);
- Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com);
- BSE website at [www.bseindia.com](http://www.bseindia.com);
- NSE website at [www.nseindia.com](http://www.nseindia.com)



The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID and Client-ID and PAN.

The Application Form can be used by the Eligible Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by:

- a. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or
- b. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see 'Grounds for Technical Rejection' on page 304. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making an Application that is available on the website of the Registrar and Stock Exchanges or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see '*Application on Plain Paper under ASBA process*' on page 297 of this Letter of Offer.

## **OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS**

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
2. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
5. Renounce its Rights Entitlements in full.



In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. Monday, September 30, 2024, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in '**Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form**' beginning on page 300 of this Letter of Offer

## **PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS**

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

### **Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Our Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

## **ACCEPTANCE OF THIS ISSUE**

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and

**Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '**Application on Plain Paper under ASBA processes**' on page 297 of this Letter of Offer.



## **ADDITIONAL RIGHTS EQUITY SHARES**

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity Share. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 307 of this Letter of Offer.

### **Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.**

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

## **PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On-Market Renunciation and Off-Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off-Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.**

**PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**



## **On-Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations, the SEBI ICDR Master Circular and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchange under the ISIN subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlement. No assurance can be given regarding the active or sustained On-Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On-Market Renunciation shall take place only during the Renunciation Period for On-Market Renunciation, i.e., from September 9, 2024 to September 24, 2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE256Z20017 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On-Market Renunciation shall take place electronically on secondary market platform of Stock Exchange under automatic order matching mechanism and on "T+1 rolling settlement bases, where "T" refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

## **Off-Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE256Z20017 (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.





## APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Common Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

### **Applications on plain paper will not be accepted from any address outside India**

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

## APPLICATION ON PLAIN PAPER

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being '**Akshar Spintex Limited**';
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio No./DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialized form;
- Number of Rights Equity Shares entitled to;
- Total number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ 1/- for Rights Equity Shares issued in one Rights Entitlement;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
- Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- In addition, all such Eligible Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar or any other person acting on behalf*



of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as "**Regulation S**"), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements." In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com).

I/ We acknowledge that Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date."

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

## **MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility.

The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA



Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. After the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Instructions issued in this regard by the Registrar to the respective SCSB.

### **1. Mode of payment for Resident Investors**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### **2. Mode of payment for non-resident Investors**

As regards the Application by non-resident Investors, the following conditions shall apply:

- a. Individual non-resident Indian Applicants who are permitted to subscribe to Right Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar and our Company;

*Note: In case of non-resident Eligible Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.*

*The Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Shareholders at (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.*

- b. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws;
- c. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

### **Notes**

- i. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- ii. In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India;
- iii. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the



RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;

- iv. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- v. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;

Non-resident Renounces who are not Eligible Shareholders must submit regulatory approval for applying for additional Rights Equity Shares;

#### **APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [www.aksharspintex.in](http://www.aksharspintex.in).

#### **PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 (Two) Working Days prior to the Issue Closing Date;
- b. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 (One) day before the Issue Closing Date;
- c. The Eligible Equity Shareholders can access the Application Form from:
  - Our Company's website at [www.aksharspintex.in](http://www.aksharspintex.in);
  - Registrar to the Issue's website at [www.bigshareonline.com](http://www.bigshareonline.com)
  - BSE's website at [www.bseindia.com](http://www.bseindia.com);
  - NSE website at [www.nseindia.com](http://www.nseindia.com);



The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com) by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at [www.aksharspintex.in](http://www.aksharspintex.in).

- d. The Eligible Equity Shareholders shall, on or before the Issue Closing Date (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

#### **ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE 'ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS' ON PAGE 308 OF THIS LETTER OF OFFER.**

#### **GENERAL INSTRUCTIONS FOR INVESTORS**

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Shareholders and the Renounees;
4. Application should be made only through the ASBA facility.
5. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA process*' on page 297 of this Letter of Offer;
7. In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange;



10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar;
11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;
12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form;
13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;
14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;
15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant;
16. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
17. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘CIR/CFD/DIL/13/2012 dated September 25, 2012’ within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;
18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;
19. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law;
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

**Do's:**

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("*Demographic Details*") are updated, true and correct, in all respects;
4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

**Don'ts:**

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.

**Do's for Investors applying through ASBA:**

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only;
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;
3. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;



7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

***Don'ts for Investors applying through ASBA:***

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;
5. Do not submit Application Form using third party ASBA account.

**GROUNDS FOR TECHNICAL REJECTION**

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;





12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form;
16. Applications which have evidence of being executed or made in contravention of applicable securities laws;
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;
19. Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).

**DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE.**

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

**Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.**

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The



Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

### **MULTIPLE APPLICATIONS**

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see ***'Procedure for Applications by Mutual Funds'*** below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected.

### **LAST DATE FOR APPLICATION**

The last date for submission of the duly filled in the Application Form or a plain paper Application is September 30, 2024, Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, ***'Basis of Allotment'*** on page 307 of this Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### **WITHDRAWAL OF APPLICATION**



An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

## ISSUE SCHEDULE

<b>Last date for Credit of Rights Entitlements</b>	Wednesday, September 4, 2024
<b>Issue Opening Date</b>	Monday, September 9, 2024
<b>Last Date for On-Market Renunciation*</b>	Tuesday, September 24, 2024
<b>Issue Closing Date#</b>	Monday, September 30, 2024
<b>Finalization of Basis of Allotment (on or about)</b>	Tuesday, October 8, 2024
<b>Date of Allotment (on or about)</b>	Wednesday, October 9, 2024
<b>Date of Credit (on or about)</b>	Monday, October 14, 2024
<b>Date of Listing or Commencement of trading (on or about)</b>	Tuesday, October 15, 2024

*\*Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*#Our Board of Directors/Rights Issue Committee may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., September 30, 2024, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

## BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part as adjusted for fractional entitlement.
- b) As per SEBI Rights Issue Circulars, Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after



making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

- 1) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- 2) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- 3) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

### **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment advice, refund instructions/intimations (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and "our Directors" who are officers in default shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

### **PAYMENT OF REFUND**

#### **Mode of making refunds**

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. **Unblocking amounts blocked using ASBA facility** – The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility
2. **National Automated Clearing House** (*hereinafter referred to as "NACH"*) – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where



such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

- 3. National Electronic Fund Transfer** (*hereinafter referred to as "NEFT"*) – Payment of refund shall be undertaken through NEFT wherever the Investor's bank has been assigned the Indian Financial System Code (hereinafter referred to as IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- 4. Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- 5. RTGS** – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
- 6.** For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- 7.** Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

### **Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

### **ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES**

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

### **RECEIPT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

1. THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR
2. THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR



3. DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE SHAREHOLDERS/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/ REVERSED/FAILED.
4. INVESTORS SHALL BE ALLOTTED THE RIGHTS EQUITY SHARES IN DEMATERIALIZED (ELECTRONIC) FORM.

**INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

**Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to 'Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form' on page 300 of this Letter of Offer.**

**PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS**



## **1. Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post - Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre - approved by the FPI.

## **2. Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

## **3. Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.



As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

#### **4. Procedure for Applications by Mutual Funds**

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

#### **5. Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last Audited Financial Statements is required to be attached to the application.

#### **IMPERSONATION**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- i. makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or*
- ii. makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or*
- iii. Otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*





The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakhs or with both.

### **PAYMENT BY STOCK INVEST**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

### **DISPOSAL OF APPLICATION AND APPLICATION MONEY**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

**For further instructions, please read the Application Form carefully.**

### **UTILIZATION OF ISSUE PROCEEDS**

Our Board declares that:

1. All monies received out of issue of this Rights Issue to the public shall be transferred to a separate bank account.
2. Details of all monies utilized out of this Rights Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
3. Details of all unutilized monies out of this Rights Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.
4. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

1. The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;



2. All steps for completion of the necessary formalities for listing and commencement of trading at Stock Exchange, where the Rights Equity Shares are to be listed are taken within the time limit specified by the SEBI;
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc., other than as disclosed in accordance with the Regulation 56.
5. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
7. Adequate arrangements shall be made to collect all ASBA applications;
8. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirm that it has made all reasonable enquiries to ascertain such facts.

#### IMPORTANT

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Common Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed, otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed '**AKSHAR SPINTEX LIMITED- RIGHTS ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

<b>BIGSHARE SERVICES PRIVATE LIMITED</b>	<b>Address</b>	: Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093
	<b>Contact Person</b>	: Mr. Suraj Gupta
	<b>Tel No.</b>	: 022 - 62638200
	<b>Email</b>	: <a href="mailto:rightsissue@bigshareonline.com">rightsissue@bigshareonline.com</a>
	<b>Website</b>	: <a href="http://www.aksharspintex.in">www.aksharspintex.in</a>
	<b>Investor grievance e-mail</b>	: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>
	<b>SEBI Registration No.</b>	: INR000001385

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar ([www.bigshareonline.com](http://www.bigshareonline.com)). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 62638200/22.



4. This Issue will remain open for a minimum 7 (Seven) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the “*automatic route*”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “*government route*”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the consolidated FDI Policy Circular of 2020 (***FDI Circular 2020***), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of



RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/ reversed /failed.

**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10.00 A.M. and 5.00 P.M. (Indian Standard Time) on all working days from the date of filing of the Letter of Offer until the Issue Closing Date. The copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at [www.aksharspintex.in](http://www.aksharspintex.in) from the date of this Letter of Offer until the Issue Closing Date.

**MATERIAL CONTRACTS FOR THE ISSUE**

1. Registrar Consent and Agreement dated April 25, 2024.
2. Bankers to the Issue Agreement dated August 17, 2024 amongst our Company, the Registrar to the Issue and the Escrow Collection Bank(s).
3. Tripartite Agreement between our Company, National Securities Depository Limited (NSDL) and Registrar to the Issue.
4. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue.

**MATERIAL DOCUMENTS IN RELATION TO THE ISSUE**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of Incorporation of our Company;
3. Copies of Audited Financial Statement of our Company for the last 3 (Three) Financial Years ending March 31, 2024, March 31, 2023 and March 31, 2022;
4. Resolution of our Board of Directors dated April 12, 2024 approving the Rights Issue;
5. Resolution of our Board dated April 30, 2024, approving the Draft Letter of Offer;
6. Resolution of our Board of Directors dated August 17, 2024, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
7. Resolution of our Board of Directors dated August 17, 2024, approving the Letter of Offer;
8. Letters of the Promoters and Promoter Group of our Company dated April 15, 2024 ("Subscription Letters") indicating that they will not subscribe fully to their portion of right entitlement and that they will not renounce their rights entitlements.
9. Consents of our Directors, Bankers to our Company, Bankers to the Issue, Legal Advisor and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
10. Report on Statement of Special Tax Benefits dated April 16, 2024 for our Company from the Statutory Auditors of our Company;



11. In-principle approval issued by BSE and NSE dated bearing reference no. 'LOD/RIGHT/AB/FIP/342/2023-24' dated May 30, 2024 and reference no. 'NSE/LIST/41439' dated June 26, 2024 respectively.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Letter of Offer are true and correct.

### SIGNED BY ALL THE DIRECTORS AND CFO OF OUR COMPANY

Name	Designation	Signature
Mr. Amit Vallabhnbhai Gadhiya (DIN: 06604671)	Managing Director	Sd/-
Mrs. Ilaben Dineshbhai Paghdar (DIN: 07591339)	Executive Director	Sd/-
Mr. Harikrushna Shamjibhai Chauhan (DIN: 07710106)	Whole-time Director	Sd/-
Mr. Nirala Indubhai Joshi (DIN: 08055148)	Independent Director	Sd/-
Mr. Rohit Bhanjibhai Dobariya (DIN: 08085331)	Independent Director	Sd/-
Mr. Parshotam L Vasoya (DIN: 09229252)	Independent Director	Sd/-
Mrs. Poonam Pratik Kapupara (PAN: LFRPK8014D)	Chief Financial Officer	Sd/-

*Note: Currently, the Company does not have Company Secretary and Compliance Officer.*

**Place:** Jamnagar

**Date:** August 17, 2024