

Date :04.09.2024

To,  
The Department of Corporate Services,  
The Stock Exchange Mumbai,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai : 400 001

Company Code No. : 531456

**SUB.:SUBMISSION OF NOTICE OF 29<sup>TH</sup> ANNUAL GENERAL MEETING ALONG WITH ANNUAL REPORT FOR THE FINANCIAL YEAR 2023-2024 AS PER REGULATION 34 OF SEBI (LODR) REGULATIONS, 2015**

Dear Sir,

With reference to the captioned subject, please find enclosed herewith the copy of Notice of 29<sup>th</sup> Annual General Meeting scheduled to be held on **Thursday, 26<sup>th</sup> day of September, 2024 at 02:00 p.m. through video Conferencing ("VC") or other Audio Visual Means ("OAVM")**, in accordance with relevant Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India ("Circulars") alongwith Annual Report for the Financial Year 2023-2024. The said Annual Report also contains the Director's Report, Management Discussion And Analysis Reportasper relevant provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015.

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2015 read with Regulation44 of SEBI (LODR) Regulations, 2015 and Circulars, the shareholder of the Company are being provided the facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM through CDSL e-voting platform. The Procedure for participating/joining in the meeting through VC/OAVM and e-voting are mentioned in the Notice of the AGM.

The e- voting period commence on, **Monday, 23<sup>rd</sup> September, 2024 at 9.00 a.m. and ends on Wednesday, 25<sup>th</sup>September, 2024 at 5.00 p.m.** During this period shareholders holding shares either in physical form or in dematerialized mode as on **Thursday, 19<sup>th</sup> day of September, 2024 (cut-off date)** may cast their vote electronically.

Notice of the 29<sup>th</sup> Annual General Meeting alongwith the Annual Report for the financial year 2023-2024 is also available on the Company's website: [www.minaxitextiles.com](http://www.minaxitextiles.com)

Kindly take the same on your records.

Thanking You,

Yours faithfully,  
For, **Minaxi Textiles Limited,**



**Dineshkumar P. Patel**  
**Managing Director**  
**DIN : 02268757**

Encl.: As above





**Minaxi**  
TEXTILES LIMITED



**29th ANNUAL REPORT 2023-2024**

## PRODUCT RANGE

- **COTTON SUITING FABRIC INCLUDING TWILL, SATIN, BROKEN, WEAVE.**
- **SPECIALISE LYCRA FANCY FABRIC.**
- **JACKARD SUITING FABRICS**
- **CODROI SUITING FABRIC INCLUDES 14,16,19,21,24 WELL INCLUDES FANCY CODROI FABRICS.**
- **POWER LYCRA SUITING FABRIC.**
- **LINEN FABRIC AND COTTON LINEN BLENDED FABRIC.**
- **SPECIAL EXPORT FABRIC ORDERS FOR THE COUNTRIES LIKE SHRI LANKA.**

## WORLD CLASS PRODUCTION FACILITIES

- **COMPANY HAS 67 PIKANOL (BELGIUM BASED COMPANY) RAPIER WEAVING MACHINES WHICH PROVIDES VERSETILE PRODUCT RANGE OF FABRIC.**
- **PRODUCTION CAPACITY UP TO 6 LACS METER PER MONTH.**
- **QUALITY OF FABRIC MAINTAINED BY SKILLED AND EXPERIENCED STAFF AND LABOUR.**
- **WORLD CLASS WEAVING FABRIC QUALITY WHICH MAY FULFILL EXPORT ORDER IN TIME WITH HIGH AND GRADATION.**



**BOARD OF DIRECTORS**

|                                   |   |
|-----------------------------------|---|
| Shri. Kiritkumar S. Patel         | Chairperson and Whole Time Director                           |
| Shri. Dineshkumar P. Patel        | Managing Director   |
| Shri. Bharatbhai P. Patel         | Director  |
| Shri. Jasvant K. Patel            | Independent Director (Retired w.e.f. 31.03.2024)              |
| Shri. Vasudevabhai L. Patel       | Independent Director (Retired w.e.f. 31.03.2024)              |
| Ms. Sweta B. Patel                | Non Executive Director  |
| Shri Snehalkumar Patel            | Independent Director  |
| Shri. Chirag N Shah               | Independent Director  |
| Mr. Ravikumar Ghanshyambhai Patel | Independent Additional Director (Appointed w.e.f. 01.04.2024) |
| Mr. Sandip Viththalbhai Madriya   | Independent Additional Director (Appointed w.e.f. 01.04.2024) |

**AUDIT COMMITTEE [Reconstituted on 30.03.2024]**

Shri. Dineshkumar P. Patel  
Mr. Ravikumar G. Patel  
[Appointed as Chairman w.e.f. 01.04.2024]  
Shri Snehalkumar Patel

**AUDITORS**

Manghani & Co., Chartered Accountants,  
E-803, Parishkaar-1, Near Khokhra Circle, Maninagar,  
Ahmedabad-380008  
Email ID : cadineshmanghani@gmail.com  
Mobile : 9462321774

**COMPANY SECRETARY & COMPLIANCE OFFICER**

CS Priyanka M. Patel

**CHIEF FINANCIAL OFFICER**

Shri Parind D. Patel

**BANKER**

Bank of India,  
Ahmedabad Main Branch  
Bhadra, Ahmedabad

**NOMINATION AND REMUNERATION COMMITTEE**

**[Reconstituted on 30.03.2024]**

Shri. Snehalkumar R. Patel  
Shri. Kiritkumar S. Patel  
Mr. Sandip Viththalbhai Madriya  
[Appointed as Chairman w.e.f. 01.04.2024]

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Shri. Snehalkumar R. Patel, Chairman  
Shri. Dineshkumar P. Patel  
Shri. Kiritkumar S. Patel

**REGISTERED OFFICE & WORKS**

Plot No. 3311, GIDC, Phase IV, Chhatral, Taluka-Kalol, Dist. Gandhinagar (N.G) - 382729, Gujarat  
**Website :** www.minaxitextiles.com, **e-Mail:** minaxitx@yahoo.com

**REGISTRARS AND SHARES TRANSFER AGENTS****LINK INTIME INDIA PVT. LTD.****Head Office : Mumbai**

C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.  
**Tel.:** 022-49186270, **Fax:** 022-49186060, **E-mail:** mt.helpdesk@linkintime.co.in

**Branch Office : Ahmedabad**

5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre - 1, (ABC-1), Beside Gala Business Centre,  
Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad-380006.  
**Tel.:** 079-26465179/86/87, **E-mail:** ahmedabad@linkintime.co.in

**NOTICE**

**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of the Company **Minaxi Textiles Limited** will be held on **Thursday, 26<sup>th</sup> day of September, 2024 at 02:00 p.m.** through Video Conferencing ("VC") / Other Audio Visual Means (OAVM"), to transact the following businesses :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March 2024, together with the Reports of the Auditors and Board of Directors thereon.
2. To appoint a director in place of Shri Dineshkumar P. Patel (DIN: 02268757), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in Place of Shri. Kiritkumar S. Patel, (DIN: 00372855), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditor of the company and to fix their remuneration and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Parth R. Shah and Co., Chartered Accountants, Ahmedabad, (Firm Registration No. 153846W), be and is hereby appointed as Statutory Auditor of the Company in place of retiring statutory auditor M/s. Manghani & Co. Chartered Accountants, Ahmedabad, (Firm Registration No. 022372C), from the conclusion of this 29<sup>th</sup> Annual General Meeting (2024) of the Company until the conclusion of the 34<sup>th</sup> Annual General Meeting (2029) of the Company on remuneration of Rs. 1 Lac p.a. for the first financial year 2024-2025 plus reimbursement of actual out of pocket expenses incurred by them for the Audit fees and THAT THE fees are subject to annual revision as may be determined by the Board in consultation with the Auditor."

**SPECIAL BUSINESS :****5. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") or any statutory modification(s) or re-enactment thereof, approval be and is hereby accorded to the re-appointment of Shri. Dineshkumar P. Patel, as a Managing Director of the Company, for a period of 5 (Five) years with effect from 15<sup>th</sup> November, 2024 on the terms and conditions including remuneration as are set out hereunder :

**Function:** Shri Dineshkumar P. Patel shall have substantial power of management subject to directions, control and supervision of the Board of Directors of the Company.

**REMUNERATION:**

- a) The Company shall, in consideration of the performance of the duties, pay to Shri Dineshkumar P. Patel the remuneration amounting to Rs.1,00,000/- (Rupees One Lakh Only) per month, may be payable monthly or otherwise provided that the perquisites shall be evaluated as per Income Tax Act and Rules wherever applicable, and such remuneration payable to him may comprise of salary, allowance, perquisites etc., and the Board of Directors is hereby authorized to increase his remuneration maximum upto Rs. 2,00,000/- (Rupees Two Lac) per month from time to time.
- b) The payment of above remuneration to be paid to the Managing Director will be subject to the conditions prescribed under second proviso of Section II(B) read with Section II(A) of Part A of Schedule V and sub-section 3 of Section 197 of the Act, and such remuneration will be payable for a period of three years w.e.f 15.11.2024 to 14.11.2027 and the payment of remuneration thereafter during his tenure will be subject to the approval of the shareholders.

**Sitting Fees:** As long as Shri Dineshkumar Patel functions as the Managing Director, he shall not be paid any sitting fees for attending the meetings of the Board of Directors / Committee thereof."

**RESOLVED FURTHER THAT** wherein a financial year during the currency of his tenure, the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule V to the Companies Act, 2013, for that year, which will be payable to him as minimum remuneration for that year.

**6. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (LODR) Regulations, 2015, Mr. Ravikumar Ghanshyambhai Patel (DIN-10566088), who was appointed as an Independent Additional Director of the company by the Board of directors and who holds office as per Section 161 of the Companies Act, 2013, up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 160 of the Companies Act, 2013 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31.03 2029."

**7. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (LODR) Regulations, 2015, Mr. Sandip Viththalbhai Madriya (DIN- 10565153), who was appointed as an Independent Additional Director of the company by the Board of directors and who holds office as per Section 161 of the Companies Act, 2013, up to the date of this Annual General Meeting and in respect of whom the company has, pursuant to Section 160 of the Companies Act, 2013 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31.03.2029."

**Regd. Office :**  
**Plot No. 3311, GIDC, Phase-IV, Chhatral**  
**Taluka Kalol, Dist. Gandhinagar(N.G)-382729**  
**Gujarat**

**Date :13/08/2024**

**By Order of the Board**  
**For, Minaxi Textiles Limited**

**Priyanka M. Patel**  
**Company Secretary**

**NOTES :**

1. In view of the Continuing COVID-19 pandemic, Ministry of Corporate Affairs (MCA) has vide its General Circular numbers 09/2023; 02/2021; 20/2020; 14/2020 and 17/2020 issued on 25<sup>th</sup> September, 2023, 13<sup>th</sup> January, 2021, 5<sup>th</sup> May, 2020, 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 respectively read with Circular numbers SEBI/ HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) on 15<sup>th</sup> January, 2021 and 12<sup>th</sup> May, 2020, and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022, Circular no. SEBI/HO/CFD-PoD-2/P/CIR/2023/167 dated 07<sup>th</sup> October, 2023, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2023 issued by SEBI issued by SEBI respectively (hereinafter collectively referred to as "the Circulars"), allowed Companies to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Hence, in compliance with provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Members desiring any relevant information with regard to the Accounts or any other matter at the Annual General Meeting are requested to write to the company atleast 7 (seven) days before the date of the meeting through email at minaxitx@yahoo.com to enable the management to keep the required information available at the meeting.
5. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE ANNUAL GENERAL MEETING AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THE NOTICE.**
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address at csashokppathak@gmail.com and to the company at minaxitx@yahoo.com
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.minaxitextiles.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
8. To support 'Green Initiative', shareholders who hold shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with their concerned Depository Participant. Shareholders who holds share in physical mode are requested to register their email addresses with the Company/ Registrar.
9. An explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of special business in the Notice is annexed hereto as **Annexure -A**.
10. The relevant details, pursuant to Regulation 36, of the SEBI Listing Regulations and Secretarial Standard on General Meetings("SS – 2") issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / re-appointment at this AGM, is furnished as **Annexure-B** to the Notice.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 19<sup>th</sup> day of September, 2024 to Thursday, 26<sup>th</sup> day of September, 2024 (both days inclusive).
12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the accompanying Notice will also be available for electronic inspection without any fee by the members from the



date of circulation of this Notice up to the date of AGM, i.e. 26<sup>th</sup> September, 2024. Members seeking to inspect such documents can send an email at [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com)

13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Accordingly, the Company/Link Intime India Pvt. Ltd. has stopped accepting any fresh lodgment of transfer of shares in physical form.
14. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent for assistance in this regard.
15. The Securities and Exchange Board of India ("SEBI") vide its Circular dated 20<sup>th</sup> April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all physical securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Link Intime India Private Limited / the Company. Members holding shares in demat form are requested to submit their PAN and update Bank Details and e-mail ID with their respective Depository Participants.
16. Members are requested to contact M/s. Link Intime India Pvt. Ltd., 5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off. C.G. Road, Navrangpura, Ahmedabad-380009 for recording any change of address, bank mandate, ECS or nominations, and for redressal of complaints contact the Compliance Officer at the Registered Office of the Company in case the shares are held by them in physical form and to their DPs in case the shares are held by them in electronic form.
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT :**

18. In compliance with, the General Circular No. 09/2023 dated 25<sup>th</sup> September, 2023, General Circular No.20/2020 dated 5<sup>th</sup> May, 2020 and General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD-PoD-2/P/CIR/2023/167 dated 07<sup>th</sup> October, 2023, Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022, Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2023 issued by the Securities and Exchange Board of India (SEBI). Notice of the Meeting along with the Annual Report for FY 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2023-24 will also be available on website of the Company, i.e. [www.minaxitx@yahoo.com](http://www.minaxitx@yahoo.com) ; website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of the CDSL [www.evotingindia.com](http://www.evotingindia.com).
19. Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company are requested to register/ update their email addresses by writing to the Company with details of folio number along with self-attested copy of PAN card at [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com) .  
Members holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depository Participant.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING AGM ARE AS UNDER:**

20. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. The procedure for attending meeting & e-Voting during the AGM is same as the instructions mentioned under the head "**INSTRUCTION FOR E-VOTING**".
21. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned under the head "**INSTRUCTION FOR E-VOTING**".
22. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience. Further the Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
23. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
24. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id. These queries will be replied to

by the company suitably by email.

25. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
26. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
27. Members who need assistance before or during the AGM, can send a request at helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Rakesh Dalvi (022-23058542/43).
28. **E - Voting**

In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ("Rules"), as amended, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Circulars, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying Notice (the "Remote e-voting").

The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

The information with respect to Voting Process and other instructions regarding Remote e-voting are detailed hereinafter under "INSTRUCTION FOR E-VOTING".

29. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the cut-off date i.e. Thursday, 19<sup>th</sup> September, 2024. Members holding shares either in physical form or dematerialized form, as on cut-off date only shall be entitled to vote on the Resolutions set forth in the Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
30. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
31. **General Information on E-voting :**
  - i. The e-voting period commences on **Monday, September 23, 2024 (9.00 a.m. IST) and ends on, Wednesday, September 25, 2024 (5.00 p.m. IST)**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **Thursday, September 19, 2024 (being the cut-off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast, the shareholder shall not be allowed to change it subsequently.
  - ii. Shri Ashok P. Pathak, Practicing Company Secretary (Membership No.ACS 9939 and COP No. 2662) or CS Margi R. Hindia, Practicing Company Secretary (Membership No. ACS 30431 and COP No. 11304) of Ashok P. Pathak & Co., Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
  - iii. The Scrutinizer shall first count the votes cast during the AGM thereafter unblock the votes cast through remote e-voting and make, within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

## INSTRUCTIONS FOR E-VOTING

### Instructions and Procedure for Remote e-voting, attending the meeting and e-Voting during the AGM

1. The voting period begins on **Monday, September 23, 2024 (9.00 a.m. IST) and ends on, Wednesday, September 25, 2024 (5.00 p.m. IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. **Thursday, September 19, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
3. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to

enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

4. **In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode is given below:**

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | <ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the-voting menu, the user will be able to see his/her holdings alongwith links of the respective e-Voting service provider i.e. CDSL/NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>   |
| Individual Shareholders holding securities in demat mode with <b>NSDL</b> | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol> |
| Individual Shareholders   | You can also login using the login credentials of your demat account through your   |

|   |  |
|---|--|
| (holding securities in demat mode) login through their <b>Depository Participants</b> | Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|---|--|

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

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

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

**5. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.**

- 1) The Shareholder should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

| <b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b> |  |
|--|--|
| PAN  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in Email sent.</li> </ul>                                |
| Dividend Bank Details <b>OR</b> Date of Birth (DOB)  | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul> |

6. After entering these details appropriately, click on "SUBMIT" tab.
7. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
8. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Click on the EVSN (**240830092**) of **Minaxi Textiles Limited** on which you choose to vote.
10. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting.

Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

11. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
12. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
13. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
14. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
15. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
16. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
17. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/ MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES/ THE COMPANY.**
  1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
  2. For Demat shareholders - Please update your email id & mobile no. with your respective repository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository
  3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
18. **Facility for Non - Individual Shareholders and Custodians -Remote Voting**
  - i. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as "Corporates" module.
  - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .
  - iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - iv. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - vi. Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [csashokppathak@gmail.com](mailto:csashokppathak@gmail.com) and to the Company at the email address viz, [minaxitx@yahoo.com](mailto:minaxitx@yahoo.com), if have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
    - If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.
    - All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**ANNEXURE A TO NOTICE – EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item No.4 to 7 accompanying Notice dated 13<sup>th</sup> August, 2024.

**ITEM NO. 4 : ORDINARY RESOLUTION****APPOINTMENT OF M/S. PARTH R. SHAH AND CO., CHARTERED ACCOUNTANT, AHMEDABAD, AS STATUTORY AUDITOR IN PLACE OF RETIRING AUDITOR M/S. MANGHANI & CO., CHARTERED ACCOUNTANT**

M/s. Manghani & Co., Chartered Accountants, (FRN-022372C) were appointed as statutory auditors of the company by the members at the Annual General Meeting held on 27<sup>th</sup> September, 2019 for the term of five years starting from 24<sup>th</sup> AGM till the conclusion of 29<sup>th</sup> AGM to be held in year 2024. Accordingly as their terms get completed on 29<sup>th</sup> AGM, the board of directors of the company require to appoint statutory auditors of the company.

The Board of Directors vide resolution passed at its meeting on 16/07/2024 has appointed M/s Parth R Shah and Co., Chartered Accountants, Ahmedabad (FRN - 153846W), subject to the approval of the members in the ensuing 29<sup>th</sup> Annual General Meeting of the Company, for a term of 5 (five) consecutive years commencing from conclusion of the ensuing 29<sup>th</sup> Annual General Meeting (AGM) (2024) until the conclusion of 34<sup>th</sup> AGM (2029).

Further, M/s. Parth R. Shah and Co., Chartered Accountants, Ahmedabad is the Proprietorship firm holding Peer Review Certificate. The firm is registered with the Institute of Chartered Accountants of India (Firm Registration No. 153846W). The firm have a team of professionals possessing experience and expertise, and offers a wide range of specialized and multi-disciplinary professional services that meet all the needs of clients like providing assurance services, majorly in the field of Internal Audit, Statutory Audit and Tax Audit. The firm is also providing services in relation to project finance and other advisory services.

The Board of directors on recommendation of the Audit Committee recommended for the approval of members for the appointment of M/s. Parth R. Shah and Co., Chartered Accountants, Ahmedabad as Statutory Auditor of the company from the conclusion of the this 29<sup>th</sup> Annual General Meeting of the company till the conclusion of 34<sup>th</sup> Annual General Meeting. Further, the proposed fees for Audit for 2024-2025 is Rs.1 Lac plus applicable tax and reimbursement of out-of- pocket expenses incurred for the audit of standalone and quarterly limited review report as required to be issued by them, as per Regulation 33 of the SEBI (LODR) Regulations, 2015 subject to the approval of the members at the ensuing 29<sup>th</sup> Annual General Meeting.

M/s. Parth R. Shah and Co., Chartered Accountants will conduct the audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the Companies Act, 2013.

Relevant documents relating to the appointment of M/s. Parth R. Shah and Co., Chartered Accountants will be made available for inspection during the business hours on all working days upto the date of Annual General Meeting.

Resolution is for the aforesaid purpose and is recommended by the Board to the members for their consideration and sanction.

None of the Directors, Key Managerial Personnel or their relatives is in any way concerned or interested in this resolution.

**ITEM NO. 5 : SPECIAL RESOLUTION****REAPPOINTMENT OF SHRI DINESHKUMAR P. PATEL (DIN 02268757) AS MANAGING DIRECTOR OF THE COMPANY FOR PERIOD OF FIVE YEARS:**

The Board of Directors of the Company at its meeting held on 13<sup>th</sup> August, 2024 reappointed Shri. Dineshkumar P. Patel as Managing Director for a further period of 5 years on expiry of his present term of office, i.e. with effect from 15<sup>th</sup> November, 2024 (i.e. up to 14<sup>th</sup> November, 2029) on terms and conditions mentioned in the resolution, subject to the approval by a resolution of the shareholders of the company in a general meeting.

The payment of remuneration of the Managing Director is subject to the conditions prescribed under second proviso of Section II(B) read with Section II(A) of Part A of Schedule V and sub-section 3 of Section 197 of the Act, and such remuneration will be payable for a period of three years w.e.f 15.11.2024 to 14.11.2027 and the payment of remuneration thereafter during his tenure will be subject to the approval of the shareholders.

Shri. Dineshkumar P. Patel is a Director of the company since 2008 having a wide-ranging experience in the textiles and varied businesses. He is appointed as a Managing Director for period of five years at a remuneration of Rs.1,00,000/- p.m. with an authority to the Board of Directors to increase the remuneration maximum upto Rs. 2 Lac per month. The remuneration proposed to be paid to him is moderate in compare to the remuneration paid in the textiles industry companies of a similar size to the company. As a managing Director he has no pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel.

With the knowledge and experience of Shri Dineshkumar P. Patel, the company can grow further.

The resolution at Item No. 5 of the Notice seeks the approval of the members to the said appointment by way of a special resolution. Your directors recommend the resolution to the shareholders for adoption.

Relevant documents relating to the appointment of Mr. Dineshkumar P. Patel will be made available for inspection during the business hours on all working days upto the date of Annual General Meeting.

Ms. Sweta B. Patel, Director is considered as interested being daughter-in-law and Shri Parind Patel, Chief Financial Office being Son of Shri. Dineshkumar P. Patel, and Shri. Dineshkumar P. Patel himself is interested, financially or otherwise, in the

resolution at Item No. 5 as it relates to his appointment.

**ITEM NO. 6 : SPECIAL RESOLUTION**

**TO CONFIRM THE APPOINTMENT OF MR. RAVIKUMAR GHANSHYAMBHAI PATEL (DIN-10566088) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

The Board of Directors of the Company ("Board") had, on recommendation of the Nomination and Remuneration Committee of the Board, appointed Mr. Ravikumar Ghanshyambhai Patel (DIN- 10566088) as an Independent Additional Director of the Company at its meeting held on 30<sup>th</sup> day of March, 2024 to hold office upto the date of the ensuing Annual General Meeting and be further appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 01.04 2029. The Company has received notice in writing as per the provisions of Section 160 of the Act, proposing the candidature of Mr. Ravikumar Ghanshyambhai Patel for the office of director, to be appointed as such under the provisions of Section 149 of the Act and Regulation 17 of SEBI (LODR) Regulations, 2015. Mr. Ravikumar Ghanshyambhai Patel has provided (a) his consent to act as a Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (b) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under 164 (2) of the Act.

In due compliance of second proviso to sub-section (1) of Section 149 read with Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 and in view of the background and to broad base the strength of the Board it will be in the interest of the Company to appoint him as director of the Company. Mr. Ravikumar Ghanshyambhai Patel is qualified as B.E (Electrical) Engineer having eight years of experience as a faculty member in competitive exam.

Relevant documents relating to the appointment of Mr. Ravikumar G. Patel will be made available for inspection during the business hours on all working days upto the date of Annual General Meeting.

The Board of Directors recommend Resolution set out at Item No. 6 of the Notice and seeks approval of the Shareholders.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Ravikumar Ghanshyambhai Patel, has any concern or interest, financial or otherwise, in the resolution at Item No. 6 of this Notice.

**ITEM NO. 7 : SPECIAL RESOLUTION**

**TO CONFIRM THE APPOINTMENT OF MR. SANDIP VITHTHALBHAI MADRIYA (DIN-10565153) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

The Board of Directors of the Company ("Board") had, on recommendation of the Nomination and Remuneration Committee of the Board, appointed Mr. Sandip Viththalbhai Madriya (DIN- 10565153) as an Independent Additional Director of the Company at its meeting held on 30<sup>th</sup> day of March, 2024 to hold office upto the date of the ensuing Annual General Meeting and be further appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 01.04 2029. The Company has received notice in writing as per the provisions of Section 160 of the Act, proposing the candidature of Mr. Sandip Viththalbhai Madriya for the office of director, to be appointed as such under the provisions of Section 149 of the Act and Regulation 17 of SEBI Listing Regulations. Mr. Sandip Viththalbhai Madriya has provided (a) his consent to act as a Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014; (b) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under 164 (2) of the Act.

In due compliance of second proviso to sub-section (1) of Section 149 read with Regulation 17(1)(a) of the listing regulations and in view of the background and to broad base the strength of the Board it will be in the interest of the Company to appoint him as director of the Company. Mr. Sandip Viththalbhai Madriya is qualified as Bachelor of Civil Engineering and having ten years experience in construction field.

Relevant documents relating to the appointment of Mr. Sandip V. Madariya will be made available for inspection during the business hours on all working days upto the date of Annual General Meeting.

The Board of Directors recommend Resolution set out at Item No. 7 of the Notice and seeks approval of the Shareholders.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Sandip Viththalbhai Madriya, has any concern or interest, financial or otherwise, in the resolution at Item No. 7 of this Notice.

**Regd. Office :**

Plot No. 3311, GIDC, Phase-IV, Chhatral  
Taluka Kalol, Dist. Gandhinagar(N.G)-382729  
Gujarat

Date : 13.08.2024

**By Order of the Board  
For, Minaxi Textiles Limited**

**Priyanka M. Patel  
Company Secretary**

**ANNEXURE - B TO THE NOTICE**

Notes on Directors seeking appointment / re-appointment at the annual general meeting as required under the Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard on General Meetings ("SS - 2") issued by the Institute of Company Secretaries of India.

**Item No 2 and 5**

|  |  |
|--|--|
| Name   | Shri Dineshkumar P. Patel  |
| Age  | 58 Years   |
| Qualification  | He has completed Diploma in Civil Engineering from technical examination board Government of Gujarat, from Adipur, Gandhidham in April 1984.                           |
| Date of First appointment on the Board of the Company  | 31 <sup>st</sup> July, 2008  |
| Experience /Expertise  | He is a Civil Engineer having more than 30 years of experience in the varied business activities in which Company operates. He is managing the affairs of the Company. |
| Other directorship   | None   |
| Terms and Conditions of Re- appointment  | In terms of Section 152 of the Companies Act, 2013, he retires by rotation at the ensuing Annual General Meeting and eligible offers himself for re-appointment.       |
| Chairperson / Member of the Committees of the Board of the other companies on which he is a director | None   |
| No. of shares held in the company  | 91,10,825 Equity Shares of Rs.1 each   |
| Disclosure of the relationships  | Ms. Sweta B. Patel is daughter in law of Shri Dineshkumar P. Patel.  |
| Remuneration last drawn (including sitting fees, if any)   | Rs. 12,00,000/- p.a. (Rs. 1,00,000/- p.m.)   |
| Remuneration proposed to be paid   | Rs. 12,00,000/- p.a. (Rs. 1,00,000/- p.m.)   |
| Number of Board Meetings attended during the year  | Shri. Dineshkumar P. Patel has attended Six Board meetings during the year.  |
| Name of listed entities from which he has resigned in the past three years                           | None   |

**Item No 3**

|  |  |
|--|--|
| Name   | Shri. Kiritkumar S. Patel  |
| Age  | 60 Years   |
| Qualification  | He has completed Diploma in Civil Engineering from technical examination board Government of Gujarat, from Adipur, Gandhidham in April 1984.                           |
| Date of First appointment on the Board of the Company  | 31 <sup>st</sup> January, 2009   |
| Experience /Expertise  | He is a Civil Engineer having more than 30 years of experience in the varied business activities in which Company operates. He is managing the affairs of the Company. |
| Other directorship   | None   |
| Terms and Conditions of Re- appointment  | In terms of Section 152 of the Companies Act, 2013, he retires by rotation at the ensuing Annual General Meeting and eligible offers himself for re-appointment.       |
| Chairperson / Member of the Committees of the Board of the other companies on which he is a director | None   |
| No. of shares held in the company  | 91,10,835 Equity Shares of Rs.1 each   |



|  |  |
|--|--|
| Disclosure of the relationships  | Shri. Kiritkumar S. Patel is brother in law of Shri. Bharatbhai P. Patel, Director of the Company. |
| Remuneration last drawn (including sitting fees, if any)                   | Rs. 12,00,000/- p.a. (Rs. 1,00,000/- p.m.)   |
| Number of Board Meetings attended during the year                          | Rs. 12,00,000/- p.a. (Rs. 1,00,000/- p.m.)   |
| Name of listed entities from which he has resigned in the past three years | Shri. Kiritkumar S. Patel has attended Six Board meetings during the year.                         |

**Item No 6**

|  |   |
|--|---|
| Name   | Mr. Ravikumar G. Patel  |
| Age  | 33 Years  |
| Qualification  | He has completed Diploma in Bachelor of Engineering in Electronics and Communication Engineering in 2013.                       |
| Date of First appointment on the Board of the Company  | 30 <sup>th</sup> March, 2024  |
| Experience /Expertise  | He is a B.E (Electrical) and having eight years of experience as a faculty member in competitive exam.                          |
| Other directorship   | None  |
| Terms and Conditions of Appointment/Re- appointment  | He is appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 01.04 2029 |
| Chairperson / Member of the Committees of the Board of the other companies on which he is a director | None  |
| No. of shares held in the company  | None  |
| Disclosure of the relationships  | None  |
| Remuneration last drawn (including sitting fees, if any)   | None  |
| Remuneration proposed to be paid   | No remuneration is being paid to the Independent Director. However, sitting fees is paid for the meetings attended.             |
| Number of Board Meetings attended during the year  | None  |
| Name of listed entities from which he has resigned in the past three years                           | None  |

**Item No 7**

|  |   |
|--|---|
| Name   | Mr. Sandip V. Madriya   |
| Age  | 26 Years  |
| Qualification  | He qualified as B. Pharm and is a businessman having ten years of experience in construction field.                             |
| Date of First appointment on the Board of the Company  | 30 <sup>th</sup> March, 2024  |
| Experience /Expertise  | He has a ten years of experience in construction field  |
| Other directorship   | None  |
| Terms and Conditions of Appointment/Re- appointment  | He is appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 01.04 2029 |
| Chairperson / Member of the Committees of the Board of the other companies on which he is a director | None  |
| No. of shares held in the company  | None  |
| Disclosure of the relationships  | None  |
| Remuneration last drawn (including sitting fees, if any)   | None  |
| Remuneration proposed to be paid   | No remuneration is being paid to the Independent Director. However, sitting fees is paid for the meetings attended.             |
| Number of Board Meetings attended during the year  | None  |
| Name of listed entities from which he has resigned in the past three years                           | None  |

## REPORT OF BOARD OF DIRECTORS

To,  
**The Members,**  
**Minaxi Textiles Limited**

Your directors have presenting herewith their 29<sup>th</sup> Annual Report together with the Audited Statements of Accounts for the period ended on 31<sup>st</sup> March, 2024.

**FINANCIAL HIGHLIGHTS :**
**(Rs. in Lakhs)**

|     | Particulars  | Year Ended on<br>31-03-2024 | Year Ended on<br>31-03-2023 |
|-----|--|-----------------------------|-----------------------------|
| (a) | Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)              | (199.15)                    | (551.93)                    |
| (b) | Finance Cost   | 126.90                      | 216.72                      |
| (c) | Depreciation and amortization expenses   | 58.09                       | 61.71                       |
| (d) | Profit Before Tax  | (384.14)                    | (830.36)                    |
| (e) | Tax Expenses   |                             |                             |
|     | Current Tax  | 7.93                        | 0.00                        |
|     | Deferred Tax   | (80.91)                     | (209.08)                    |
| (f) | <b>Profit for the year</b>   | <b>(311.16)</b>             | <b>(621.28)</b>             |
| (g) | <b>Other Comprehensive income:</b>   |                             |                             |
|     | (i) Item that will not be reclassified to profit or loss                           |                             |                             |
|     | (ii) Remeasurement of defined benefit plans.                                       | 2.12                        | 4.89                        |
|     | (iii) Income tax relating to items that will not be reclassified to profit or loss | 0.00                        | 0.00                        |
| (h) | <b>Total Comprehensive income for the year:</b>                                    | <b>(313.27)</b>             | <b>(626.17)</b>             |

**OPERATING AND FINANCIAL PERFORMANCE AND FUTURE OUTLOOK:**

During the year under report, the company has achieved a gross turnover of Rs. 3429.02 Lacs compared to previous year gross turnover of Rs.2921.09 Lacs has resulted in the net loss of Rs. (313.27) Lacs as compared to previous year net loss of Rs. (626.17).

The company has incurred cash losses in current year and preceding financial year. During the previous year the company has executed debt restructuring scheme and restructured its overall borrowings. This will result into substantial reduction in the interest outflow for future period and has extended the repayment plan in relation to restructured borrowings. Further, the Company expects to generate operational cash-inflows in near future, which will support the Company to meets its near future cash obligations. Taking these factors into consideration, the Company believes financial information is fairly presented on going concern basis.

During the current year the company is planning to find out the ways to expand the business activities and the directors of the company are hoping to attain the higher business performance in terms of turnover and operating profit.

The company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls.

**DIVIDEND :**

As the Company has incurred losses during the year under review, your directors do not recommend any dividend for the financial year ended on 31<sup>st</sup> March, 2024.

**CHANGE IN NATURE OF BUSINESS, IF ANY :**

There is no change in the nature of the business of the company during the year under review.

**ORDER OF COURTS ETC., IF ANY :**

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and company's operations in future.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY :**

There are no material changes and commitments affecting the Financial Position of the Company occurred after the end of financial year.

**INFORMATION ABOUT SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANY :**

The company has no subsidiaries or associate companies therefore disclosures in this regards are not provided in this report.

**TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(j) OF THE COMPANIES ACT, 2013 :**

Your company has incurred loss of Rs.311.16 Lacs and Comprehensive income of Rs. 2.12 Lac which has been transferred to Profit and Loss Account for the financial year ended on 31st March, 2024, the company has not carried any amount to general reserve account.

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unclaimed and unpaid Dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

**COMPLIED WITH REGULATION 39(4) READ WITH SCHEDULE VI OF THE SEBI (LODR) REGULATIONS, 2015 PERTAINING TO UNCLAIMED SHARES**

The Company had received the mail from Bombay Stock Exchange (BSE) on 21/12/2020 as directed by the Securities and Exchange Board of India (SEBI) to comply with Regulation 39(4) r/w. Schedule VI of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pertaining to dealing with 1586600 unclaimed shares of 304 Shareholders who had not claimed their shares on sub-division of Company's equity shares of Rs.10/- each into Rs.1/- each vide resolution passed in Extra Ordinary General Meeting held on 26/02/2007.

According to sub-regulation (4) of Regulation 39 of the Listing Regulations, the Company shall comply with the procedural requirements specified in Schedule VI while dealing with shares / securities issued pursuant to the public issue or any other issue, physical or otherwise, which remain unclaimed and / or are lying in the escrow account as applicable.

The Board of Directors at its meeting held on 12/02/2021 has authorized M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent, of the Company to follow the procedural requirements as provided in Schedule VI r/w. Regulation 39(4) of Listing Regulations. The Company had issued three reminder letters to the concern shareholders on 26/02/2021 through speed post, on 23/03/2021 and 20/04/2021 through Ordinary post respectively to all the shareholders whose name appears in the list on the last available address with the company / RTA / Depositories database and 19 Shareholders holding 101000 Shares had claimed their shares. The Company had opened a demat account with Shah Investors Home Limited, Ahmedabad, Depository Participant in the name of 'Minaxi Textiles Limited - Unclaimed Suspense Account' and remaining 1485600 unclaimed shares of 285 Shareholders has been transferred to "Minaxi Textiles Limited Unclaimed Suspense Account" and out of which 171000 Shares were claimed by 3 shareholders which were transferred to them through corporate action by RTA and executed by NSDL on 01.04.2022 as per NSDL Confirmation letter 08.04.2022. Further 20000 Shares were claimed by shareholders which were transferred to them through corporate action by RTA on 25.08.2023. The Company had transferred another 20000 Shares on request of Shareholders through corporate action by RTA on 20.04.2024. Now the company has 1274600 remaining Unclaimed Shares in Demat account namely "MINAXI TEXTILES LIMITED UNCLAIMED SUSPENSE ACCOUNT".

**CORPORATE SOCIAL RESPONSIBILITY (CSR) :****(Criteria prescribed under section 135 is not attracted)**

Every Company is required to constitute / formulate CSR Committee if it gets attracted in one of the criteria prescribed in Section 135. According to Section 135 of the Companies Act, 2013, every Company having Net Worth of Rs.500 Crore or more, or Turnover of Rs.1000 Crore or more, or Net Profit of Rs.5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee and should undertake Corporate Social Responsibility as prescribed in Schedule VII.

None of the above criteria was applicable to the company for the financial year 2023-2024 and hence the company was not required to constitute CSR Committee.

**FINANCE :**

The Company is at present enjoying secured financial assistance in the form of working capital facilities and term loan from Bank of India, Main Branch, Bhadra, Ahmedabad. During the year under review, the company paid the principal and interest to the Bank. The company has not committed any default in repayment of any of its debts or interest payable thereon during the financial year.

**PUBLIC DEPOSIT :**

The Company has neither accepted nor invited any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**CONSERVATION OF ENERGY :**

The information relating to conservation of Energy as required under section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given by way of annexure attached hereto which forms part of this report. **(Annexure - I)**

**CONSERVATION OF TECHNOLOGY ABSORPTION :**

The information relating to conservation of Technology Absorption as required under section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given by way of annexure attached hereto which forms part of this report. **(Annexure - I)**

**CONSERVATION OF FOREIGN EXCHANGE EARNINGS / OUTGO :**

The information relating to conservation of Foreign Exchange Earning / Outgo as required under section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given by way of annexure attached hereto which forms part of this report. **(Annexure - I)**

**PARTICULARS OF EMPLOYEES :**

The prescribed particulars of Employees required under section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached hereto which forms part of this report. **(Annexure - II)**

During the year under review none of the employees of the company was in receipt of remuneration in excess of Rupees One Crore and Two Lac Rupees, if employed through out the year or in receipt of remuneration exceeding Rupees Eight Lac Fifty Thousand p.m., if employed for part of the financial year, and hence the disclosure under section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

**CORPORATE GOVERNANCE :****(Certain SEBI Listing Regulations are not applicable to the company)**

The compliance with the Corporate Governance provisions as specified in the Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Regulations), 2015 are not applicable to the companies having Paid up Share Capital not exceeding Rs.10 Crores and Net Worth not exceeding Rs.25 Crore, as on the last day of previous year. According to these regulations your company is not mandatorily required to comply with the provisions of these regulations for the time being as the Paid up Share Capital of the Company is not exceeding Rs.10 Crores and the Net Worth is not exceeding Rs.25 Crores, as on the last day of the previous year, however, the Company has made all possible efforts to comply with the provisions of these regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to some extent during the year under review.

In order to avail the exemption to comply with the provisions of Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), read with Regulation 15(2) of Chapter IV of Listing Regulations, the company had submitted the Certificate for Non- Applicability of Corporate Governance Report to the BSE. Further, in continuity of Non-Applicability, the company had submitted the Certificate for Non- Applicability of Corporate Governance Report to the BSE on 16.04.2024 for the financial year ended on 31.03.2024 and onwards.

**BOARD OF DIRECTORS :**

The Company has a very balanced composition of Board of Directors. As on date, the Company has Eight (8) directors with an Executive Chairman on its Board. Out of these 3 (Three) Whole time / executive / Promoter directors and 1 (One) non-executive and 4 (Four) (50%) non-executive / independent directors. All Non-Executive & Independent Directors actively participate in the Board and Committee Meetings which is a great value addition in the decision making process.

Shri. Dineshkumar P. Patel, had been re-appointed as Managing Director for a period of five years w.e.f. 15<sup>th</sup> November, 2019 vide resolutions passed at 25<sup>th</sup> Annual General Meeting held on Tuesday, 08<sup>th</sup> day of December 2020. His tenure expires on 14<sup>th</sup> November, 2024. The payment of remuneration to the Managing Director was subject to the conditions prescribed under second proviso of Section II(A) of PART II of Schedule V and sub-section 3 of Section 197 of the Companies Act, 2013 ('the Act') and such remuneration was payable for a period of three years w.e.f.15/11/2019 to 14/11/2022 and the payment of remuneration thereafter during his tenure is subject to the approval of the shareholders.

The Board of Directors in its meeting held on 13.08.2024 has appointed Shri Dineshkumar Patel, Managing Director for further period of five years w.e.f. 15.11.2024 subject to the approval of shareholders.

During the year the Company has appointed Mr. Ravikumar Ghanshyambhai Patel and Mr. Sandip Viththalbhai Madriya as Independent directors. In accordance with provisions of Section 152(6)(a) of the Companies Act, 2013. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013.

Shri Dineshkumar P. Patel and Shri Kiritkumar S. Patel retires by rotation and being eligible offers themselves for re-appointment. A resolution seeking shareholders' approval for their re-appointment forms part of the Notice.

**Board Evaluation and Criteria:**

Pursuant to the provisions of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its committees. The Board has carried out an annual performance evaluation of its own performance of the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholder Relationship Committees. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**Remuneration Policy :**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178(3) of the Companies Act, 2013, is available on our website, at <https://www.minaxitextiles.com/pdf/Corporate%20Policies%20and%20Codes/Policy%20on%20remuneration%20of%20Directors%20KMP%20and%20Senior%20Employees.pdf>

**Board Meetings :**

Regular meetings of the Board are held inter-alia, to review the quarterly results of the Company. additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses.

During the FY 2023-24, the Board met Six (6) times i.e. on 23<sup>rd</sup> May, 2023, 12<sup>th</sup> August, 2023, 07<sup>th</sup> November, 2023, 06<sup>th</sup> February, 2024, 26<sup>th</sup> March, 2024, and 30<sup>th</sup> March, 2024. The Company has held Board Meeting at least one meeting every quarter and the maximum time gap between any two meetings was not more than 120 days.

The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda.

**Independent Director's Meeting**

A Separate meeting of Independent Directors held on 06<sup>th</sup> February, 2024 without the attendance of Non-Independent Directors and members of the Management. In the said meeting, Independent Directors reviewed the followings:

- a) Performance evaluation of Non Independent Directors and Board of Directors as a whole;
- b) Performance evaluation of the Chairperson of the Company taking into account the views of executive directors and non-executive directors;
- c) Evaluation of the quality, quantity and timelines of flow of information between the Management and Board of Directors for effective and reasonable performance of their duties.

The Board of Directors expressed their satisfaction with the evaluation process.

**Declaration of Independence from Independent Directors:**

The Independent Directors have submitted the declaration of their Independence as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) of that section and also declare that they had complied Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

**Independent Director databank registration**

Pursuant to Section 150 of the Companies Act, 2013 read with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors have completed the registration with the Independent Directors Databank. The name of Mr. Ravikumar Ghanshyambhai Patel and Mr. Sandip Viththalbhai Madriya has been included in the Data Bank on 20.03.2024 and they passed the online proficiency self assessment test conducted by the Indian Institute of Corporate Affairs. Requisite disclosures have been received from Independent Directors in this regard.

**Internal Control System and Internal Financial Control systems and their adequacy:**

The company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls.

The Directors are responsible for laying down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is part of this report.

**COMMITTEES:**

Your Company has several Committees which have been established as part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

**The Company has following Committees of the Board:**

1. Audit Committee,
2. Nomination and Remuneration committee,
3. Stakeholders and Relationship Committee and

**Audit Committee:**

The Board of directors of the Company at its meeting held on 12<sup>th</sup> August, 2015 has reconstituted an Audit Committee in line with Section 177 of the Companies Act, 2013. The Committee has further reconstituted on 14<sup>th</sup> September, 2020 due to resignation of member of Committee Shri Ghanshyambhai Chinubhai Patel. The Committee has further reconstituted on 30<sup>th</sup> March, 2024 due to cessation of Second term of independent directors Shri Jasvant K. Patel and Shri. Vasudevhai L. Patel. The Committee comprising three Directors viz. Mr. Ravikumar G. Patel, Chairman of the Committee and Shri. Snehal Kumar. R Patel, Shri. Dineshkumar P. Patel member of the Committee.

The Committee periodically discussed the Financial Reporting process, reviewed the Financial Statements, and discussed the quality of the applied accounting principles and significant judgment that affected the Company's Financial Statements. Apart from presenting the audited accounts to the members of the Board, the Audit Committee recommended the appointment of the statutory auditors, secretarial auditor and internal auditor, subject to the Board's approval. The audit Committee reviewed with adequacy of internal control systems with the management, statutory and internal auditors.

The Committee met 4 (Four) times during the year 2023-2024. The dates on which the Audit Committee meetings were held are 23/05/2023, 12/08/2023, 07/11/2023 and 06/02/2024. The maximum time gap between any two meetings was not more than one hundred and twenty days. Members of the Audit Committee have requisite financial and management expertise. Shri. Jasvant K. Patel, being a Chairman of the Audit Committee, attended the last Annual General Meeting held on 26<sup>th</sup> September, 2023.

**Attendance of each Member of Audit Committee meetings held during the year ended on 31<sup>st</sup> March, 2024 :**

| Name of Directors            | Category                    | Status / Designation | No. of Meeting attended |
|------------------------------|-----------------------------|----------------------|-------------------------|
| Shri. Jasvant K. Patel*      | Non-executive / Independent | Chairman             | 4                       |
| Shri. Vasudevhai L. Patel*   | Non-executive / Independent | Member               | 4                       |
| Shri Dineshkumar P. Patel    | Managing Director           | Member               | 4                       |
| Shri Ravikumar G. Patel**    | Non-executive / Independent | Member               | -                       |
| Shri Snehal Kumar R. Patel** | Non-executive / Independent | Member               | -                       |

\*Cessation of Second term of independent directors w.e.f. 30.03.2024.

\*\* Appointed as an Independent Directors w.e.f. 01.04.2024. Shri Ravikumar G. Patel has been appointed as Chairman of the Audit Committee w.e.f. 01.04.2024.

**Nomination and Remuneration Committee (NRC) :**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, every listed company and prescribed class of companies shall constitute Nomination and Remuneration Committee (NRC) of the Board consisting of 3 or more non-executive directors out of which not less than ½ shall be independent director.

In view of the above provision of law, the Board of Directors at its meeting held on 30<sup>th</sup> May, 2014 has constituted NRC committee and Re-constituted the same vide its meeting held on 12<sup>th</sup> August, 2015 which was again reconstituted on 12<sup>th</sup> November, 2016 and on 13<sup>th</sup> August, 2018. It was further reconstituted on 12<sup>th</sup> February, 2020 and on 30<sup>th</sup> March, 2022 consisting of Shri Vasudevhai L. Patel, Chairman of the Committee/ Independent Director, Shri. Snehal Kumar Patel, Shri Jasvant Patel, Independent Directors and Shri Kiritkumar S. Patel, Chairperson and Whole Time Director of the company, as members of the committee.

Nomination and Remuneration Committee was again reconstituted on 30.03.2024 due to cessation of Second term of independent directors Shri Jasvant K. Patel and Shri. Vasudevhai L. Patel. The Committee comprising three Directors viz. Mr. Sandip V. Madriya Chairman of the Committee and Shri. Snehal Kumar. R Patel, Shri. Kiritkumar S. Patel member of the Committee.

The Committee met 3 (Three) times during the year 2023-2024. The date on which the Nomination and Remuneration Committee meetings was held on 12/08/2023, 06/02/2024 and 30/03/2024.

The Board vide its meeting held on 13.08.2018 has revised the terms of reference. The powers (terms of reference) delegated to the committee are as under :

- A. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- B. To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- C. To devise a policy on diversity of board of directors;
- D. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- E. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- F. To ensure that the remuneration policy formulated by the committee be disclosed in the Board's Report

**While formulating the policy the committee shall ensure that -**

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
- c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

**Attendance of each Member of Nomination and Remuneration Committee meetings held during the year ended on 31<sup>st</sup> March, 2024:**

| Name of Directors            | Category                         | Status / Designation | No. of Meeting attended |
|------------------------------|----------------------------------|----------------------|-------------------------|
| Shri. Snehal Kumar R. Patel  | Non-executive/ Independent       | Member               | 3                       |
| Shri. Jasvant K. Patel*      | Non-executive/ Independent       | Member               | 3                       |
| Shri Kiritkumar S. Patel     | Chairman and Whole Time Director | Member               | 3                       |
| Shri. Vasudev bhai L. Patel* | Non-executive/ Independent       | Chairman             | 3                       |
| Shri. Sandip V. Madriya**    | Non-executive/ Independent       | Chairman             | -                       |

\*Cessation of Second term of independent directors w.e.f. 30.03.2024.

\*\* Appointed as an Independent Directors w.e.f. 01.04.2024. Shri Sandip V. Madariya has been appointed as Chairman of the Nomination and Remuneration Committee w.e.f. 01.04.2024.

**Stakeholders Relationship Committee**

The Board has re-constituted the Shareholders and Investors Grievance Committee vide resolution passed in its Meeting held on 29/07/2011. According to Section 178, the company is required to constitute a Stakeholders Relationship Committee consisting of a Chairman who shall be a non executive director and such other members as may be decided by the Board.

In view of the above provision, the company has altered the nomenclature of the Shareholders and Investors Grievance Committee to Stakeholders Relationship Committee. Further, the membership of the company has also changed in light of the above provisions vide its Board Meeting held on 30/05/2014. It was further reconstituted on 13/08/2018, 14/09/2020, and on 30/03/2022 due to resignation of Shri. Bhavikkumar R. Patel as a Director. The Committee appointed Shri Snehal Kumar R. Patel in place of Shri Bhavikkumar Patel as a Chairman. The Stakeholders Relationship committee consists of Shri. Snehal Kumar R. Patel, Chairman of the Committee/ Independent Director, Shri Dineshkumar P. Patel and Shri. Kiritkumar S. Patel Chairman of the Company, being the Members of the committee.

CS Priyanka M. Patel has been designated as the Compliance Officer. As required by Regulation 46(2)(j) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has designated the below cited email ID of the

grievance redressal division / compliance officer exclusively for the purpose of registering complaints by investors. E-Mail ID is minaxitx@yahoo.com

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL and outstanding complaints as on 31st March, 2024 was NIL. None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31st March, 2024.

During the year the Stakeholders Relationship Committee were held on 23/05/2023, 12/08/2023, 07/11/2023 and 06/02/2024.

**Attendance of each Member of Stakeholder Relationship Committee meetings held during the year ended on 31<sup>st</sup> March, 2024 :**

| Name of Directors          | Category                         | Status / Designation | No. of Meeting attended |
|----------------------------|----------------------------------|----------------------|-------------------------|
| Shri. Snehalkumar R. Patel | Non-executive / Independent      | Chairman             | 4                       |
| Shri Dineshkumar P. Patel  | Managing Director                | Member               | 4                       |
| Shri Kiritkumar S. Patel   | Chairman and Whole Time Director | Member               | 4                       |

**Disclosure under the Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal) Act, 2013.

**CODE OF INDEPENDENT DIRECTORS - SCHEDULE IV :**

The Board has considered Code of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013. The code is a guide to professional conduct for independent directors adherence to these standards by independent directors and fulfillment of their responsibility in a professional and faithful manner will promote confidence of the investment community and regulators.

The broad items for code for independent directors are :

- (i) Guidelines for Professional conduct.
- (ii) Role and Functions.
- (iii) Duties
- (iv) Manner and process of appointment.
- (v) Re-appointment on the basis of report of performance evaluation.
- (vi) Resignation or Removal.
- (vii) Atleast one Separate meeting of Independent Directors in a year without attendance of non independent directors or members of management.
- (viii) Evaluation mechanism of Independent Directors by entire Board of Directors.

The Terms and conditions for appointment of Independent Directors is posted on the website of the company. The Code of Independent Director as per Schedule IV of the Companies Act, 2013 is forming part of the Code of conduct of the company.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY :**

The Company has adopted a Whistle Blower Policy pursuant to the requirements of the Companies Act, 2013 and the SEBI Regulations, 2015 to deal with unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases. The details of the Policy is also posted on the website of the Company.

**CODE OF PRACTICES AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI) :**

The Company has amended the policy with effect from 01.04.2019. The Board of Directors of Company shall inquire in case of leak of Unpublished Price Sensitive Information (UPSI) or suspected leak of Unpublished Price Sensitive Information (UPSI). The company will inform simultaneously to SEBI of such leaks, inquiries and results of such inquiries. The details of the Policy is also posted on the website of the Company <https://www.minaxitextiles.com/pdf/Corporate%20Policies%20and%20Codes/Code%20of%20Practice%20and%20Procedure%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information.pdf>



**CODE OF CONDUCT:**

The Company has formulated and implemented Code of Conduct for all Board members and Senior Management of the Company and the same is posted on the website of the Company. The company has received the declaration of all the Directors/ Senior Management affirming the compliance with the Code of Conduct of the Company.

**CEO/ MD AND CFO CERTIFICATION :**

The compliance with the Corporate Governance provisions as specified in the Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C,D and E of Schedule V of SEBI (Listing Regulations), 2015 are not applicable to the companies having Paid up Share Capital not exceeding Rs.10 Crores and Net Worth not exceeding Rs.25 Crore, as on the last day of previous year. According to these regulations your Company is not mandatorily required to comply with the provisions of these regulations, for the time being as the Paid up Share Capital of the company is not exceeding Rs.10 Crores and the Net Worth is not exceeding Rs.25 Crores, as on the last day of the previous year, however, the Company has made all possible efforts to comply with the provisions of these regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent possible and the provisions of the Companies Act, 2013, during the year under review. The company has availed the exemption from compliance of this provisions and hence it is not required to obtain the annual Certificate from Managing Director and Chief Financial Officer of the company regarding certification on financial reporting and internal controls to the Board in terms of Regulation 17(8).

**FAMILIARIZATION PROGRAMME :**

The Board members of Minaxi Textiles Limited (Independent and Non-Independent) are offered every opportunity to familiarize themselves with the Company, its management and its operations and above all the Industry perspective and issues. They are made to interact with senior management personnel and are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

The independent Directors are provided with necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The Company undertook various steps to make the Independent Directors have full understanding about the Company.

**STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

There is a continuous process for identifying, evaluating and managing significant risks as faced through a risk management process designed to identify the key risks facing each business. The role of insurance and other measures used in managing risks is also reviewed. Risks would include significant weakening in demand from core-end markets, end market cyclicality, inflation certainties, energy cost and shortage of raw materials, maintenance and protection of leading technologies and adverse regulatory developments. During the year under review no major risks were noticed. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. Audit Committee and Board Members are reviewing and updating the said procedures and plans periodically.

**AUDITORS :****Statutory Auditor :**

At the 24<sup>th</sup>AGM held on 27<sup>th</sup> September, 2019 the members approved appointment of M/s. Manghani and Co., Chartered Accountants, Ahmadabad (FRN - 022372C), as statutory auditor of the company to hold office for a period of five years from the conclusion of 24<sup>th</sup> AGM till the conclusion of 29<sup>th</sup> AGM. He has confirmed that he is not disqualified from continuing as statutory Auditors of the company.

**Auditors Report :**

The comments in the Auditors Report with Notes on Accounts referred to the Auditor's Report are self explanatory and, therefore do not call for any further explanation.

**Secretarial Auditor :**

The Board has considered the recommendation of Audit Committee regarding appointment of Secretarial Auditor and necessity of Secretarial Audit Report as mandate for every listed company in Section 204 of the Act, and has appointed M/s. Ashok P. Pathak & Co., Company Secretaries, Ahmedabad as Secretarial Auditor for the financial year 2024-2025. The Company has received consent from M/s. Ashok P. Pathak & Co., Company Secretaries to act as the auditor for conducting audit of the secretarial records for the financial year ending 31<sup>st</sup> March, 2024.

**Secretarial Audit Report :**

The Secretarial Audit Report for the financial year ended on 31<sup>st</sup> March, 2024 in Form MR-3 is annexed herein and forming part of the Board Report (**Annexure - III**).

The explanation on comments / observation(s) in the Secretarial Audit Report -

- (a) The Certificate of PCS issued on 25/04/2023 under regulation 40(9) for the year ended on 31st March, 2023 was filed with BSE Ltd. on 27/04/2023 at 14:38:45 p.m. There was a delay of 2 days. The delay was due to inadvertence only.
- (b) The Certificate of RTA issued on 04/10/2023 and 03/01/2024 under regulation 74(5) for the quarter ended on 30<sup>th</sup> September, 2023 and 31<sup>st</sup> December, 2023 and was filed with BSE Ltd. on 16/10/2023 at 18:04:19 p.m. and 17/01/2024 at 15:26:51 p.m. respectively. There was a delay of 1 day and 2 days respectively. The delay was unintentionally only and we assure timely compliance now onwards.
- (c) The intimation for trading window closure for September, 2023 quarter was given on 02.10.2023 instead of end of the quarter. However, the Trading Window was closed from 01.10.2023. There was a delay of 2 days in intimating the closure of trading window to the Stock Exchange. The delay was due to inadvertence only.
- (d) The Company has not filed the required documents to the Stock Exchange in due compliance of BSE Circular dtd. 01.08.2022 during the year regarding mandatory filing of documents with Digital Signature Certification to the Stock Exchange except Outcome of Board Meeting which includes only financial result, the non-compliance was due to inadvertence and we assure to comply with BSE circular now onwards.
- (e) The Company has Re-appointed Mr. Kiritkumar Patel as Whole Time Director for a period of five years w.e.f. 01.10.2023 vide Ordinary Resolution passed in Annual General Meeting held on 26.09.2023. The non-filing of Return of Appointment in e-Form MR -1 is unintentional.
- (f) There was one instances of violation of Code of Conduct for Prohibition of Insider Trading during the closure of window period. The Compliance Officer has issued show cause notice on 28/05/2023 and reply for the same was received by the Company on 01/06/2023 the Company has issued warning letters on 02/06/2023 for such violation and levy the penalty equivalent to the purchase price. The relevant details are as under :
  - (i) Mr. Kiritkumar S. Patel, one of the designated person has bought 3651 equity shares at Rs.1.52/- per share during the period 01/04/2022 to 28/05/2022 (Penalty of Rs.5,550/- has been levied).

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT :**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) read with Schedule V(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report. **(Annexure - IV)**

#### **Internal Auditor :**

The Board has considered the recommendation of Audit Committee regarding appointment and necessity of Internal Auditor as mandate for every listed company in Section 138 of the Act, and has appointed M/s. Archit B. Shah & Associates, Chartered Accountants, Ahmedabad as Internal Auditor for the financial year 2024 -2025. The Internal Auditor's reports and their findings on the internal audit, has been reviewed by the Audit Committee on a quarterly basis. The scope of internal audit is also reviewed and approved by the Audit Committee.

#### **ANNUAL RETURN :**

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the Annual Return for FY 2023-24 is uploaded on the company's website .i.e. link <https://minaxitextiles.com/wp-content/uploads/2023/09/Annual-Return-2023-2024-pdf-2.pdf>

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The company has not made any Loans and investments, and have not given any guarantees or provided any securities covered under section 186 of the Companies Act, 2013.

#### **LISTING :**

The equity shares of the company are listed in the Bombay Stock Exchange Limited which has the connectivity in most of the cities across the country.

#### **DEMATERIALISATION OF EQUITY SHARES :**

As per direction of the SEBI and the Bombay Stock Exchange Limited, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services India Limited [CDSL] and the demat activation number allotted to the Company is ISIN : INE952C01028. Presently shares are held in electronic and physical mode (99.38% of shares in demat, 0.62% in physical mode)

**INDUSTRIAL RELATIONS :**

The directors are happy to note that the industrial relations continued to remain cordial during the year. The directors express their appreciation towards the workers, staffs and executive staffs for their coordination, co-operation and hope for a continued harmonious relations.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 with respect to Director's Responsibilities Statement, it is hereby confirmed :

- (i) that in the preparation of the Annual Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any;
- (ii) that the Director had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the Financial Year and of the Profit or Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of Adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the Financial Year ended 31<sup>st</sup> March, 2024 on a going concern basis.
- (v) that the internal financial controls laid down by the company are adequate and were operating effectively.
- (vi) that the directors had devised proper systems to ensure compliances with the provisions of all applicable laws and that such system were adequate and operating effectively.

**RELATED PARTY TRANSACTIONS :**

The company has not entered into any contract / agreement with Related Parties and have no transactions with Related Parties during the year under review. There are no materially significant related party transactions i.e. transactions of material nature, with promoters, the directors or the management or their relatives etc. that may have potential conflicts with the interests of the company at large in the financial year 2023-2024. As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 09<sup>th</sup> May, 2018 effective from 1 April, 2019, the listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions and such policy shall be reviewed by the board of directors at least once every three years. The Company has made the policy in 2019 in Board meeting dtd 30.03.2019 and reviewed the policy in Board Meeting dtd 11.02.2022. The compliance with the Corporate Governance provisions as specified in the Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V of SEBI (Listing Regulations), 2015 are not applicable to the Company.

**GENERAL DISCLOSURE :****i) System Driven Disclosures in Securities Market.**

The Company has appointed Central Depository Services Limited (CDSL) as Designated Depository for the purpose of System Driven Disclosures in Securities Market pursuant to Circular No. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated May 28, 2018.

**ii) Foreign Investment Monitoring**

The Company has provided information of shares held by FPI and NRIs and other foreign investors (Repatriable) to CDSL pursuant to SEBI Circular No. IMD/FPIC/CIR/P/2018/61 dated April 05, 2018.

**iii) Issue of Equity Shares with differential rights as to dividend, voting or otherwise.**

During the year 2023-2024, the Company has not issued any of Equity Shares with differential rights as to dividend, voting or otherwise.

**iv) Issue of shares (including sweat equity shares) to employees of the Company under any scheme and ESOS.**

During the year, the Company has not issued any shares under Employee Stock Option Scheme.

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

There are no significant and material orders passed by the Regulators or Courts or Tribunals which could impact the going concern status and the Company's future operations.

**vi) Disclosure of Secretarial Standards**

Secretarial Standards issued by the Institute of Company Secretaries of India as applicable to the Company were followed and complied with during 2023-24. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**vii) Suspension of Securities of the Company**

The securities of the Company have not been suspended from trading in the Bombay Stock Exchange.

**viii) Reconciliation of Share Capital Audit**

The Reconciliation of Share Capital Audit of the Company prepared in terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, reconciling the total shares held in both the depositories viz NSDL and CDSL and in physical form with the total issued / paid-up capital of the Company were placed before the Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

ix) The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015.

**ACKNOWLEDGMENT :**

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

**ANNEXURES FORMING A PART OF THIS REPORT OF THE DIRECTORS :**

The Annexure referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors :

| <b>Annexure</b> | <b>Particulars</b>  |
|-----------------|---|
| I               | Particulars of Conversion of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo  |
| II              | Particulars of Employees pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Managerial Remuneration) Rules, 2014. |
| III             | Secretarial Audit Report - Form MR -3   |
| IV              | Management Discussion and Analysis Report   |

**Regd. Office :**

Plot No. 3311, GIDC, Phase-IV, Chhatral  
Taluka Kalol, Dist. Gandhinagar(N.G)-382729  
Gujarat

**On Behalf of the Board  
For, Minaxi Textiles Limited**

**Dineshkumar P. Patel      Kiritkumar S. Patel**  
**Managing Director      Whole Time Director**  
**DIN : 02268757          DIN : 00372855**

**Date: 14/05/2024**

**ANNEXURE – I**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

**A. CONSERVATION OF ENERGY :**

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption. All effective efforts have been put forth for reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

**B. TECHNOLOGY ABSORPTION :**

The Company is constantly engaged in developing and updating manufacturing processes of the existing products leading to reduction in process time and cost of production and also in developing new products. The Company constantly strives for maintenance and improvement in quality of its products and entire Research & Development activities are directed to achieve the aforesaid goal.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign exchange outgo :As under

Foreign exchange earned. :As under

| Particulars                             | 2023-2024  | 2022-2023  |
|---|------------|------------|
| <b>a. Foreign Exchange Earnings</b>     | -          | -          |
| Export of goods calculated on FOB basis | -          | -          |
| Interest and dividend                   | -          | -          |
| Royalty                                 | -          | -          |
| Know-how                                | -          | -          |
| Professional and consultation fees      | -          | -          |
| Other income                            | -          | -          |
| <b>b. Foreign Exchange Expenditure</b>  |            | -          |
| Import of goods calculated on CIF basis | -          | -          |
| (i) Raw Material                        | -          | -          |
| (ii) Component and Spare Parts          | 25.47 Lacs | 38.44 Lacs |
| (iii) Capital Goods                     | -          | -          |
| <b>Expenditure on Account of :</b>      |            |            |
| Royalty                                 | -          | -          |
| Know-how                                | -          | -          |
| Professional and consultation fees      | -          | -          |
| Interest                                | -          | -          |
| Other matters                           | -          | -          |
| Dividend Paid                           | -          | -          |

**ANNEXURE – II**
**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

| <b>Sr. No.</b> | <b>Requirements of Rule 5(1)</b>  | <b>Details</b>   |
|----------------|---|--|
| I              | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.   | Shri Dineshkumar P. Patel : 250 : 615.89<br>Shri Kiritkumar S Patel : 250 : 615.89   |
| II             | The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or manager, if any, in the financial year;  | There is no increase in remuneration of Director and Chief Financial Officer. There is increase of 25% in Remuneration of Company Secretary  |
| III            | The percentage increase in the median remuneration of employees in the financial year   | Negligible   |
| IV             | The number of permanent employees on the rolls of company;  | 24 Employees as on 31 <sup>st</sup> March, 2024.   |
| V              | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | There were no substantial increase in the salaries of employees. There was no increase in remuneration of Managing Director and Whole Time Director during the financial year.             |
| VI             | Affirmation that the remuneration is as per the remuneration policy of the company  | Remuneration paid during the year ended on 31 <sup>st</sup> March, 2024 is as per the remuneration policy of the Company and according to the resolution passed by the Board/shareholders. |

## ANNEXURE – III

## FORM NO. MR.3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Minaxi Textiles Limited**,  
Plot No.3311, GIDC, Phase-IV,  
Chhatral, Taluka Kalol,  
Dist – Gandhinagar (N.G) - 382729.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Minaxi Textiles Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Minaxi Textiles Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2024** according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) \*The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) \*The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - (i) \*The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and
  - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

\* No event took place under these regulations during the audit period.
- (vi) Other laws specifically applicable to the Company namely:
  - a. Textiles (Development and Regulation) Order, 2001;

We have also examined compliance with the applicable Clauses/Regulations of the following :

- i. Secretarial Standard on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India

- ii. The Listing Agreements entered into by the Company with the BSE Limited r/w SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation(s) :

- (a) **Compliance Requirement :-** Under Regulation 40(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entities shall ensure that the certificate obtained from the practicing Company Secretary under sub-regulation(9) shall be filed with the Stock Exchange(s) simultaneously.

**Observation / Remark :-**

The Certificate of PCS issued on 25/04/2023 under regulation 40(9) for the year ended on 31st March, 2023 was filed with BSE Ltd. on 27/04/2023 at 14:38:45 p.m. There was a delay of 2 days.

- (b) **Compliance Requirement :-** Under Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018 the Company is required to submit the Certificate received from RTA within 15 days of the receipt of the same.

**Observation / Remark :-**

The Certificate of RTA issued on 04/10/2023 and 03/01/2024 under regulation 74(5) for the quarter ended on 30th September, 2023 and 31st December, 2023 and was filed with BSE Ltd. on 16/10/2023 at 18:04:19 p.m. and 17/01/2024 at 15:26:51 p.m. respectively. There was a delay of 1 day and 2 days respectively.

- (c) **Compliance Requirement :-** As per Clause 4(2) of Schedule B read with Regulation 9 of PIT Regulations and SEBI Circular No. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124 dtd. 19.07.2023, the trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

**Observation / Remark :-**

The intimation for trading window closure for September, 2023 quarter was given on 02.10.2023 instead of end of the quarter. However, the Trading Window was closed from 01.10.2023. There was a delay of 2 days in intimating the closure of trading window to the Stock Exchange.

- (d) **Compliance Requirement :-** As per BSE Circular dtd. 01.08.2022, it is mandatory to file announcements under various SEBI Regulations using Digital Signature Certification to the Stock Exchange except Outcome of Board Meeting which includes only financial result.

**Observation / Remark :-**

The Company has not filed the required documents to the Stock Exchange in due compliance of BSE Circular dtd. 01.08.2022 during the year.

- (e) **Compliance Requirement :-** As per Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company is required to file Return of Appointment of Whole Time Director within sixty days of the appointment with the Registrar in e-Form MR-1.

**Observation / Remark :-**

The Company has Re-appointed Mr. Kiritkumar Patel as Whole Time Director for a period of five years w.e.f. 01.10.2023 vide Ordinary Resolution passed in Annual General Meeting held on 26.09.2023. The Company is yet to file Return of Appointment in e-Form MR -1.

- (f) **Compliance Requirement :-** As per Regulation 9 r/w Clause 4 of Schedule B and Regulation 4 of SEBI (Prohibition of Insider Trading) Regulations, 2015, Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.

**Observation / Remark :-**

There were one instance of violation of Code of Conduct, under Regulation 9 r/w Clause 4 of Schedule B and Regulation 4 of SEBI (Prohibition of Insider Trading) Regulations, 2015, for Prohibition of Insider Trading during the closure of window period as under :

Mr. Kiritkumar S. Patel, designated person / Promoter has bought 3651 Equity Shares on 25/05/2023 during the period window closure period 01/04/2023 to 25/05/2023.

**We report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. There was no changes in the composition of the Board of Directors during the period under review.



Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda are sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**We report that**

Based on the compliance mechanism established by the company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operation, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report, on the basis of advisory issued by the Institute of Company Secretaries of India (ICSI) on the observations received from Securities and Exchange Board of India (SEBI), that**

The Company had received the mail from Bombay Stock Exchange (BSE) on 21/12/2020 as directed by the Securities and Exchange Board of India (SEBI) to comply with Regulation 39(4) r/w. Schedule VI of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pertaining to dealing with 1586600 unclaimed shares of 304 Shareholders who had not claimed their shares on sub-division of Company's equity shares of Rs.10/- each into Rs.1/- each vide resolution passed in Extra Ordinary General Meeting held on 26/02/2007.

According to sub-regulation (4) of Regulation 39 of the Listing Regulations, the Company shall comply with the procedural requirements specified in Schedule VI while dealing with shares / securities issued pursuant to the public issue or any other issue, physical or otherwise, which remain unclaimed and / or are lying in the escrow account as applicable.

The Board of Directors at its meeting held on 12/02/2021 has authorized M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent, of the Company to follow the procedural requirements as provided in Schedule VI r/w. Regulation 39(4) of Listing Regulations. The Company had issued three reminder letters to the concern shareholders on 26/02/2021 through speed post, on 23/03/2021 and 20/04/2021 through Ordinary post respectively to all the shareholders whose name appears in the list on the last available address with the company / RTA / Depositories database and 19 Shareholders holding 101000 Shares had claimed their shares. The Company had opened a demat account with Shah Investors Home Limited, Ahmedabad, Depository Participant in the name of 'Minaxi Textiles Limited - Unclaimed Suspense Account' and remaining 1485600 unclaimed shares of 285 Shareholders has been transferred to "Minaxi Textiles Limited Unclaimed Suspense Account" and out of which 171000 Shares were claimed by 3 shareholders which were transferred to them through corporate action by RTA and executed by NSDL on 01.04.2022 as per NSDL Confirmation letter 08.04.2022, out of which 20000 shares were claimed by 1 shareholders which were transferred to them through corporate action by RTA on 25.08.2023, out of which 20000 shares were claimed by 3 shareholders which were transferred to them through corporate action by RTA on 20.04.2024. Now the company has 1274600 remaining Unclaimed Shares in Demat account namely "MINAXI TEXTILES LIMITED UNCLAIMED SUSPENSE ACCOUNT".

**We further report that** during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**Place : Ahmedabad**  
**Date: 14<sup>th</sup> May, 2024**

**For, Ashok P. Pathak & Co.**  
**Company Secretaries**  
**ICSI Unique Code : S1997GJ020700**

**CS Ashok P. Pathak\***  
**Proprietor**  
**ACS No : 9939 | COP No : 2662**  
**Peer Review Certificate No. : 1519/2021**  
**ICSI UDIN : A009939F000365118**

\* Insolvency Professional (IP) registered with the Institute of Insolvency and Bankruptcy Board of India. (IBBI) IBBI/IPA-002/IP-N00329/2017-18/10934

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

**ANNEXURE- I to Secretarial Audit Report****The Members,****Minaxi Textiles Limited**

Plot No.3311, GIDC, Phase-IV,  
Chhatral, Taluka Kalol,  
Dist - Gandhinagar (N.G) - 382729

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place : Ahmedabad**  
**Date: 14<sup>th</sup> May, 2024**

**For, Ashok P. Pathak & Co.**  
**Company Secretaries**  
**ICSI Unique Code : S1997GJ020700**

**CS Ashok P. Pathak\***  
**Proprietor**  
**ACS No : 9939 | COP No : 2662**  
**Peer Review Certificate No. : 1519/2021**

**ANNEXURE – IV**
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
**I. BUSINESS HIGHLIGHTS AND FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :**
**Turnover :**

Minaxi Textiles Limited has achieved a turnover of Rs. 3429.02 in 2023-2024 as against Rs. 2921.09 Lac during the previous year.

**Other Income :**

Other income mainly consists of Interest Income. Other income for the year amounted to Rs. 83.95 Lac as against Rs. 4.48 Lac during the previous year.

**Material Costs :**

Purchase costs includes raw material consumption for the year was Rs. 3057.36 Lac as against Rs.2377.66 Lac during the previous year.

**Manufacturing Expenses :**

Purchase Cost also includes manufacturing expenses mainly comprises Power & Fuel Rs. 255.88 Lac, repairs & maintenance Rs 7.11 Lac as against Rs. 232.75 Lac and Rs. 8.42 Lac respectively during the previous year.

**Employee Emoluments :**

Employees emoluments is Rs. 114.70 Lac during the year as against Rs. 100.76 Lac during the previous year.

**Administrative, Selling and Other Expenses :**

Major components of administrative, selling and other expenses include rent, postage, stationary, audit fees, traveling, commission on sales etc. Administrative, selling and other expenses for the year amounted to Rs. 71.97 Lac as against Rs. 69.28 Lac during the previous year. This expenses accounted for 2.10% of sales during the year as against 2.37% during the previous year.

**Interest and Finance Charges :**

Interest and finance charges during the year come to Rs 126.90 Lac as against Rs. 216.72 Lac during the previous year.

**Depreciation :**

Depreciation charge for the current year came to Rs 58.09 Lac as against Rs. 61.71 Lac during the previous year.

**Provision for Tax :**

Provision made during the year towards current tax was Rs. 7.93 Lac as against Rs.0.00 Lcs during the previous years. The Company has also provided Rs. -209.08 Lac towards deferred tax during the year as against Rs. (-80.91) Lac during the previous year.

**Profit / Loss after Tax :**

Profit after tax for the current year is Rs.(-311.16) Lac as against Profit of Rs. (-621.28) Lac occurred during the previous year.

**Earnings per Share :**

Basic and diluted earnings per share for the current year works out to Rs. (0.63) as against Rs. (1.26) during the previous year.

**Financial Condition :**
**Secured loans :**

Secured loans stood at Rs1524.79 Lac as at 31st March, 2024 as against Rs. 1789.25 Lac as at 31st March, 2023.

**Inventories :**

Major items of inventories as of 31<sup>st</sup> March, 2024 are as under :

(₹ in Lac)

| Particulars         | 2023-2024 | 2022-2023 |
|---------------------|-----------|-----------|
| Raw Materials       | 583.68    | 524.35    |
| Stores, spares etc. | 26.19     | 14.64     |
| Finished goods      | 295.24    | 441.19    |

**Debtors :**

Debtors as on 31st March, 2024 amounted to Rs. 383.38 Lac as against Rs. 1365.65 Lac during the previous year.

**Property, Plant & Equipments :**

Gross block of the fixed assets at the end of the year was Rs. 2277.43 compared to previous year's figure of Rs. 2277.43 Lac.

**II. SEGMENT WISE PERFORMANCE :**

Your company operates in only one segment i.e. Textiles. Your company has adopted various marketing strategies for sustained growth including increase in number of clients / customers to reduce the dependency on any single client / customer. At the plant level the operational focus has been to reduce overall costs, wastages and to improve machine efficiencies. We have met with good success on these fronts at our Textile Plant and numerous initiatives are planned along similar lines for the coming year. On the Market side, the Company continues expanding its distribution network in the domestic market.

**III. AN INDUSTRY OVERVIEW :**

The fundamental strength of Indian Textile Industry flows from its strong production base of wide range of fibers/yarns - from natural fibers like cotton, jute, silk and wool to synthetic/manmade fibers like polyester, viscose, nylon and acrylic. Government has been overall supportive in encouraging textile industry in India. Textiles and garment industry has been included in list of 25 sectors of 'Make in India' initiative of the Government of India. With the right Government policies, we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market.

**IV. INDUSTRY STRUCTURE AND DEVELOPMENT:**

The company deals in suiting products having specialty in fancy suiting fabrics. As a value addition company deals in making of Lycra, a feature in all kind of suiting fabrics like Twill, Broken, Satin. The company have 50 Picanol Rapier Weaving Machines. The company has established with the customers over the years a relationship of trust and based on the true value the company create in customer's processes with unique technological product and service offerings.

**V. SWOT ANALYSIS OF THE COMPANY :****Strength :**

- a. Management depth and ability to manage client relationships
- b. R & D capabilities to develop efficient and cost effective process at short notice having a State of the Art dedicated R & D Center
- c. Multi-purpose and multi-production facilities having Quality Certifications
- d. Enhanced presence in the market through clientele basis

**Opportunities and Threats :**

The textiles industry is subject to tough competition amongst various segments of manufactures within and outside the country. The threat of competition is comparatively less in the product which your company is manufacturing. The increase in demand from business sector in terms of job works will provide opportunity to your company to increase its sale and capture more market share. Moreover, Indian textiles industry witnessing changes in business dynamics.

**VI. RISKS AND CONCERNS :**

Your company is mainly focusing on R & D and manpower and the intelligence. Apart from the risk on account of interest rate and regulatory changes, business of the company are exposed to certain operating business risks, which is mitigated by regular monitoring and corrective actions. The company has taken necessary measures to safe guard its assets and interest etc.

**VII. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and to monitor internal business process, financial reporting an compliance with applicable laws. The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business. A qualified and independent committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

**VIII. INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT :**

The Company believes that human resource is the most important assets of the organization. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year, your company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the company is to create culture and value system and behavioral skills to insure achievement of its short and long term objectives. The company has employed 24 persons by March, 2024.

**Cautionary Statement :**

Statement made in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

**Stakeholder Engagement Framework :**

Company strives to create value for all stakeholders and aspires to understand and act upon material matters for its business, stakeholders, and society. Stakeholder engagement also helps to manage risks and opportunities in business operations.

For, Minaxi Textiles Limited

**Dineshkumar P. Patel**  
Managing Director  
DIN : 02268757

**Kiritkumar S. Patel**  
Chairperson  
DIN : 00372855

**INDEPENDENT AUDITOR'S REPORT**

To The Members,  
**MINAXI TEXTILES LIMITED**

**Report on Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of MINAXI TEXTILES LIMITED ('the company') which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of Material 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss and total comprehensive income (i.e. loss during the year), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Emphasis of Matter:**

We draw attention to Note 34.13 to the financial results which describes factors based on which the management of the Company has prepared the financial results of the company on going concern basis. Our opinion is not qualified in respect of this matter.

**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. There are no separate key audit matters to be communicated in our report.

**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 Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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**

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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 Other Comprehensive Income, the Statement of Cash Flows 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 Ind AS prescribed under section 133 of the Act.
  - 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-A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, as amended, 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 as at March 31, 2024 in its Ind AS financial statement. (note 27)
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (note 28)
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) 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;
- (b) 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;
- (c) 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 (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid dividend during the year covered by our audit.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 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 softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section (11) of section 143 of the Companies Act 2013, we give in the **Annexure B**, a statement on the matters specified in paragraphs 3 and 4 of the order.

**For, Manghani & Co.**  
**Chartered Accountants**  
**Firm Registration No. 022372C**

**Dinesh Manghani**  
**Proprietor**  
**Membership no. 535603**

**Place: Ahmedabad**  
**Date: 14<sup>th</sup> May, 2024**  
**UDIN: 24535603BKEBOQ3348**

## **Annexure- A to Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members Minaxi Textiles Limited of even date)

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

We have audited the Internal Financial Controls over financial reporting of Minaxi Textiles Limited (the "Company") as on March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit or Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "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 company's policies, the safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Standard on Auditing prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of 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 controls 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 purpose 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 transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation 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, projection of any evaluation of the internal financial controls over financial reporting to future periods are subjects to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting 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 ICAI.

**For, Manghani & Co.**  
**Chartered Accountants**  
**Firm Registration No. 022372C**

**Dinesh Manghani**  
**Proprietor**  
**Membership no. 535603**

**Place: Ahmedabad**  
**Date: 14<sup>th</sup> May, 2024**  
**UDIN: 24535603BKEBOQ3348**

### Annexure-B to Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Minaxi Textiles Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

| Clause | Sub Clause | Reporting   |
|--------|------------|---|
| i.     |            | <b>Company's Property, Plant and Equipments :</b>   |
|        | (a)        | The Company is in process of updating proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.  |
|        | (b)        | According to the information and explanation given to us, the Property, Plant and Equipments of the Company has been physically verified by the management periodically and no material discrepancies have been noticed on such verification.   |
|        | (c)        | According to information and explanations given to us and on the basis of our examination of records of the company the title deeds of immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the company as at the balance sheet date. In respect of the land taken on lease and disclosed under Property, Plant and Equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.                               |
|        | (d)        | The company has not revalued any of its Property, Plant and Equipment during the year.  |
|        | (e)        | As informed to us, no proceedings have been initiated during the year or are pending against the company as at 31 <sup>st</sup> March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.  |
| ii.    |            | <b>Inventory</b>  |
|        | (a)        | As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.   |
|        | (b)        | According to the information and explanations given to us and on basis of our examination of the records of the company, the Company has been sanctioned working capital limit in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In respect of the quarterly returns and statements filed by the company with the bank during the year, as explained to us, are in agreement with the unaudited books of account of the company of respective quarters except as mentioned in Note no. 34.16 of the financial statement. |
| iii.   |            | <b>Investments, providing any guarantee or security</b>   |
|        |            | The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause iii(a) to iii(f) is not applicable.  |
| iv.    |            | <b>Compliance with section 185 &amp; 186 in respect of Loans and Investments</b>  |
|        |            | The Company has not granted any loans or provided any guarantees or security in respect to any parties covered under the Section 185 of the Act. The company has not given guarantees or provided security requiring compliance under section 185 or 186 of the Act, hence reporting under clause 3(iv) of the order is not applicable to the Company.  |
| v.     |            | <b>Public Deposits</b>  |
|        |            | During the year, the company has not accepted any deposits from public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed there under and therefore, reporting under clause 3(v) of the Order is not applicable.  |
| vi.    |            | <b>Maintenance of Cost Records</b>  |
|        |            | As per information and explanation given by the company, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, hence reporting under clause 3(vi) of the order is not applicable to the Company.   |
| vii.   |            | <b>Statutory dues:</b>  |
|        | (a)        | According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Goods and Service Tax, Custom duty, and any other statutory dues with the appropriate  |

|                          |                | <p>authorities applicable to it. According to the information and explanations given to us, there are no undisputed dues, payable in respect of above as at 31st March, 2024 for a period of more than six months from the date on which they became payable, except Gratuity Liabilities of Rs. 42.32 Lakhs.</p> <p>(b) According to the records of the company and on the basis of the information and explanations given to us, the details of disputed statutory dues of income tax which have not been deposited as at 31st March, 2024 on account of dispute is as under:</p>  |                                |                |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
|--------------------------|----------------|--|--------------------------------|----------------|------------------------------------|--------------------------------|--------|--------------------------|------------|--------------------------|--------------|------------|--------------------------|------------|------------------------------------|--------------|-------------|
|                          |                | <table border="1"> <thead> <tr> <th>Nature of Statute</th> <th>Nature of Dues</th> <th>Forum where the dispute is pending</th> <th>Period to which amount relates</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>The Income Tax Act, 1961</td> <td>Income Tax</td> <td>Commissioner (Appeals) *</td> <td>F.Y. 2017-18</td> <td>2.44 lakhs</td> </tr> <tr> <td>The Income Tax Act, 1961</td> <td>Income Tax</td> <td>Commissioner (Appeals) Gandhinagar</td> <td>F.Y. 2018-19</td> <td>62.06 lakhs</td> </tr> </tbody> </table> <p>* The company has filed application under Income Tax Vivaad Se Vishwas Scheme and the same is pending.</p>   | Nature of Statute              | Nature of Dues | Forum where the dispute is pending | Period to which amount relates | Amount | The Income Tax Act, 1961 | Income Tax | Commissioner (Appeals) * | F.Y. 2017-18 | 2.44 lakhs | The Income Tax Act, 1961 | Income Tax | Commissioner (Appeals) Gandhinagar | F.Y. 2018-19 | 62.06 lakhs |
| Nature of Statute        | Nature of Dues | Forum where the dispute is pending   | Period to which amount relates | Amount         |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
| The Income Tax Act, 1961 | Income Tax     | Commissioner (Appeals) *   | F.Y. 2017-18                   | 2.44 lakhs     |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
| The Income Tax Act, 1961 | Income Tax     | Commissioner (Appeals) Gandhinagar   | F.Y. 2018-19                   | 62.06 lakhs    |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
| viii.                    |                | <p><b>Recording of income not recorded in books and disclosed under IT Act</b></p> <p>There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.</p>  |                                |                |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
| ix.                      |                | <p><b>Repayment of Loans</b></p> <p>(a) According to information and explanation give to us, during the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.</p> <p>(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.</p> <p>(c) The company has not raised any new term loans during the year.</p> <p>(d) On an overall examination of the financial statements of the company, fund raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.</p> <p>(e) The Company does not hold investment in any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.</p> <p>(f) The Company does not hold investment in any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.</p> |                                |                |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
| x.                       |                | <p><b>Raising of monies through Public Offer and/or Term Loans</b></p> <p>(a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under Clause 3(x)(a) of the Order is not applicable.</p> <p>(b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debenture (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.</p>   |                                |                |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
| xi.                      |                | <p><b>Frauds</b></p> <p>(a) No fraud by the company and no material fraud on the company has been noticed or reported during the year.</p> <p>(b) No report under Sub-section (12) of section 143 of the companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules,2014 with the Central Government, during the year and upto the date of this report.</p> <p>(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.</p>   |                                |                |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
| xii.                     |                | <p><b>Compliance with Net Owned Funds Ratio &amp; unencumbered term deposits</b></p> <p>The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.</p>  |                                |                |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |
| xiii.                    |                | <p><b>Transaction with Related Parties</b></p> <p>In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act,2013 with respect to applicable transactions with the related parties and the details of related</p>  |                                |                |                                    |                                |        |                          |            |                          |              |            |                          |            |                                    |              |             |

|   |   |
|---|---|
| <p>xiv.</p> <p>(a)</p> <p>(b)</p>               | <p>party transactions have been disclosed in the financial statements as required by the applicable accounting standards.</p> <p><b>System of Internal Audit</b></p> <p>In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.</p> <p>We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.</p>  |
| <p>xv.</p>                                      | <p><b>Non-cash transactions</b></p> <p>In our opinion during the year the company has not entered into any non-cash transactions with its Directors or persons connected with its directors. And hence provisions of section 192 of Companies Act, 2013 are not applicable to the Company.</p>  |
| <p>xvi.</p> <p>(a), (b) &amp;(c)</p> <p>(d)</p> | <p><b>Registration with Reserve Bank of India</b></p> <p>In our opinion, the Company is not required to be registered under section 45 - IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable.</p> <p>In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank ) Direction,2020) and accordingly reporting under clause 3(xvi)(d) of the Order is no applicable.</p>  |
| <p>xvii.</p>                                    | <p><b>Cash Losses</b></p> <p>The Company has incurred cash losses during the financial year covered by our audit amounting to Rs. 326.05 lakhs and the immediately preceding financial year amounting to Rs. 768.65 lakhs.</p>  |
| <p>xviii.</p>                                   | <p><b>Resignation of Statutory Auditors</b></p> <p>There has been no resignation of statutory auditors of the Company during the year.</p>  |
| <p>xix.</p>                                     | <p><b>Financial Ratios, ageing, realisation of financial assets and payment of financial liabilities</b></p> <p>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 and our knowledge of Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not 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.</p> |
| <p>xx.</p>                                      | <p><b>Transfer of unspent CSR Expenditure to fund referred to Schedule VII to the Companies Act</b></p> <p>The provision of section 135 of the Companies Act 2013 in relation to Corporate Social Responsibility are not applicable to the company during the year and hence reporting under this clause is not applicable.</p>   |
| <p>xxi.</p>                                     | <p><b>Qualifications or Adverse Remarks in CARO of companies included in consolidated financial statements</b></p> <p>The Company is not required to prepare the Consolidated Financial Statement during the year and we are not required to obtain the Companies (Auditor's Report) Order (CARO) reports of any companies and hence reporting under this clause is not applicable.</p>   |

**For, Manghani & Co.**  
**Chartered Accountants**  
**Firm Registration No. 022372C**

**Dinesh Manghani**  
**Proprietor**  
**Membership no. 535603**

**Place: Ahmedabad**  
**Date: 14<sup>th</sup> May, 2024**  
**UDIN: 24535603BKEBOQ3348**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2024**
**(Rs. in lakhs)**

| <b>EQUITY AND LIABILITIES/ASSETS</b> | <b>Note No</b> | <b>As at 31<sup>st</sup> March, 2024</b> | <b>As at 31<sup>st</sup> March, 2023</b> |
|--------------------------------------|----------------|--|--|
| <b>I. ASSETS</b>                     |                |  |  |
| <b>(1) Non-current assets</b>        |                |  |  |
| (a) Property, Plant and Equipment    | 1              | 759.01                                   | 817.10                                   |
| (b) Intangible assets                | 1              | -  | -  |
| (c) Financial Assets - Others        | 2              | 23.19                                    | 19.61                                    |
| (d) Deferred Tax Assets (net)        | 3              | 316.46                                   | 235.56                                   |
| <b>Total Non Current Assets</b>      |                | <b>1,098.66</b>                          | <b>1,072.27</b>                          |
| <b>(2) Current assets</b>            |                |  |  |
| (a) Inventories                      | 4              | 905.11                                   | 980.17                                   |
| (b) Financial Assets                 |                |  |  |
| (i) Trade receivables                | 5              | 383.38                                   | 1,365.65                                 |
| (ii) Cash and Cash Equivalents       | 6              | 1.73                                     | 2.59                                     |
| (iii) Financial Assets - Other       | 2              | 73.66                                    | 179.29                                   |
| (c) Other Current Assets             | 7              | 63.37                                    | 32.34                                    |
| <b>Total Current Assets</b>          |                | <b>1,427.24</b>                          | <b>2,560.04</b>                          |
| <b>TOTAL ASSETS</b>                  |                | <b>2,525.90</b>                          | <b>3,632.31</b>                          |
| <b>II. EQUITY AND LIABILITIES</b>    |                |  |  |
| <b>EQUITY</b>                        |                |  |  |
| (a) Equity Share Capital             | 8              | 494.16                                   | 494.16                                   |
| (b) Other Equity                     | 9              | (214.91)                                 | 98.36                                    |
| <b>Total Equity</b>                  |                | <b>279.25</b>                            | <b>592.52</b>                            |
| <b>LIABILITIES</b>                   |                |  |  |
| <b>(1) Non-Current Liabilities</b>   |                |  |  |
| (a) Financial Liabilities            |                |  |  |
| (i) Borrowings                       | 10             | 890.95                                   | 1,175.70                                 |
| (b) Provisions                       | 11             | 16.10                                    | 15.21                                    |
| <b>Total Non Current Liabilities</b> |                | <b>907.05</b>                            | <b>1,190.91</b>                          |
| <b>(2) Current Liabilities</b>       |                |  |  |
| (a) Financial Liabilities            |                |  |  |
| (i) Borrowings                       | 12             | 796.40                                   | 861.05                                   |
| (ii) Trade payables                  | 13             | 491.99                                   | 952.06                                   |
| (iii) Other financial liabilities    | 14             | 1.59                                     | 0.88                                     |
| (b) Provisions                       | 11             | 38.20                                    | 34.70                                    |
| (c) Current Tax Liabilities (net)    | 15             | -  | -  |
| (d) Other Current Liabilities        | 16             | 11.43                                    | 0.20                                     |
| <b>Total Current Liabilities</b>     |                | <b>1,339.60</b>                          | <b>1,848.88</b>                          |
| <b>Total Liabilities</b>             |                | <b>2,246.65</b>                          | <b>3,039.79</b>                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |                | <b>2,525.90</b>                          | <b>3,632.31</b>                          |

See accompanying notes to the financial statements  
In terms of our report attached

For, Manghani & Co.  
Chartered Accountants  
Firm Registration No. 022372C

Dinesh Manghani  
Proprietor  
Membership no. 535603

Place: Ahmedabad  
Date: 14<sup>th</sup> May, 2024

For and on behalf of the Board of  
Minaxi Textiles Limited  
CIN: L17119GJ1995PLCO25007

K.S. Patel  
Chairperson  
DIN: 00372855

D.P. Patel  
Managing Director  
DIN: 02268757

Parind Patel  
Chief Financial Officer

Priyanka Patel  
Company Secretary

Place: Chhatral  
Date: 14<sup>th</sup> May, 2024

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

| Particulars   | Note No | (Rs. in lakhs)  |                 |
|---|---------|-----------------|-----------------|
|   |         | 2023-2024       | 2022-2023       |
| I. Revenue from operations  | 17      | 3,429.02        | 2,921.09        |
| II. Other Income  | 18      | 83.95           | 4.48            |
| <b>III. Total Revenue (I +II)</b>   |         | <b>3,512.97</b> | <b>2,925.57</b> |
| IV. <u>Expenses:</u>  |         |                 |                 |
| Cost of materials consumed  | 19      | 3,057.36        | 2,377.66        |
| Purchase of Stock-in-Trade  | 20      | 0.00            | 0.00            |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 21      | 205.08          | 688.63          |
| Employee benefit expense  | 22      | 114.70          | 100.76          |
| Finance costs   | 23      | 126.90          | 216.72          |
| Depreciation & Amortization   | 1       | 58.09           | 61.71           |
| Other expenses  | 24      | 334.96          | 310.45          |
| <b>Total Expenses</b>   |         | <b>3,897.10</b> | <b>3,755.93</b> |
| V. Profit/ (Loss) Before Tax  |         | <b>(384.14)</b> | <b>(830.36)</b> |
| VI. Less: Tax expense:  | 25      |                 |                 |
| (1) Current tax (including Taxes on earlier years)                            |         | 7.93            | -               |
| (2) Deferred tax  |         | (80.91)         | (209.08)        |
| VII. Profit/ (Loss) for the year  |         | <b>(311.16)</b> | <b>(621.28)</b> |
| VIII. <b>Other Comprehensive Income</b>                                       |         |                 |                 |
| Items that will not be reclassified to statement of profit and loss           |         |                 |                 |
| Remeasurement of the defined benefit plans                                    |         | 2.12            | 4.89            |
| Income tax relating to items that will not be reclassified to profit or loss  |         | -               | -               |
| <b>IX. Total Comprehensive Income for the Period</b>                          |         | <b>(313.27)</b> | <b>(626.17)</b> |
| X. Earning per equity share:  | 26      |                 |                 |
| Basic & Diluted EPS (Face Value of Re. 1/- each)                              |         | (0.63)          | (1.26)          |

See accompanying notes to the financial statements  
In terms of our report attached

For, Manghani & Co.  
Chartered Accountants  
Firm Registration No. 022372C

Dinesh Manghani  
Proprietor  
Membership no. 535603

Place: Ahmedabad  
Date: 14<sup>th</sup> May, 2024

For and on behalf of the Board of  
Minaxi Textiles Limited  
CIN: L17119GJ1995PLCO25007

K.S. Patel  
Chairperson  
DIN: 00372855

D.P.Patel  
Managing Director  
DIN: 02268757

Parind Patel  
Chief Financial Officer

Priyanka Patel  
Company Secretary

Place: Chhatral  
Date: 14<sup>th</sup> May, 2024

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**
**(Rs. in lakhs)**

| PARTICULAR   | FOR THE YEAR<br>2023-2024 |             | FOR THE YEAR<br>2022-2023 |             |
|--|---------------------------|-------------|---------------------------|-------------|
|  |                           |             |                           |             |
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>               |                           |             |                           |             |
| Profit/ (Loss) before Tax                                  |                           | (384.14)    |                           | (830.36)    |
| <b>Adjustments for :</b>                                   |                           |             |                           |             |
| Depreciation & Amortization                                | 58.09                     |             | 61.71                     |             |
| Interest & Other Financial Charges                         | 126.90                    |             | 216.72                    |             |
| Remeasurements of Defined Benefit Plans                    | (2.12)                    |             | (4.89)                    |             |
| (Profit)/ Loss on Sale of Assets                           |                           |             | -                         |             |
| Interest Received  | (1.49)                    | 181.38      | (1.14)                    | 272.40      |
| Operating Profit before Working Capital Changes            |                           | (202.75)    |                           | (557.96)    |
| Adjusted for:  |                           |             |                           |             |
| (Increase) / Decrease in Inventory                         | 75.06                     |             | 694.15                    |             |
| (Increase) / Decrease in Trade & Others Receivables        | 1,053.30                  |             | (148.53)                  |             |
| Increase / (Decrease) in Trade & Other Payable             | (443.74)                  | 684.62      | 309.93                    | 855.56      |
| Cash Generated from Operation                              |                           | 481.87      |                           | 297.60      |
| Direct Taxes Paid  |                           | (7.93)      |                           | (4.43)      |
| Net Cash from Operating Activities                         |                           | 473.94      |                           | 293.16      |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>               |                           |             |                           |             |
| Proceeds from Sale of Property, Plant & Equipments         | -                         |             | -                         |             |
| Purchase of Property, Plant & Equipments                   | -                         |             | (0.49)                    |             |
| Interest Received  | 1.49                      |             | 1.14                      |             |
| Net Cash (used in) / from Investing Activities             |                           | 1.49        |                           | 0.65        |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>               |                           |             |                           |             |
| Increase/ (decrease) in Long Term Loans & Other Borrowings | (349.39)                  |             | (90.04)                   |             |
| Interest Paid  | (126.90)                  |             | (216.72)                  |             |
| Net Cash (used in) / from Financing Activities             |                           | (476.29)    |                           | (306.76)    |
| <b>D NET DECREASE IN CASH AND CASH EQUIVALENTS</b>         |                           | (0.86)      |                           | (12.95)     |
| Opening Cash & Cash Equivalents                            |                           | 2.59        |                           | 15.54       |
| <b>Closing Cash &amp; Cash Equivalents</b>                 |                           | <b>1.73</b> |                           | <b>2.59</b> |
| <b>Cash and Cash Equivalent Comprises of: (note 6)</b>     |                           |             |                           |             |
| <b>Cash on Hand</b>  |                           | <b>1.73</b> |                           | <b>2.59</b> |
| <b>Balance with the Bank</b>                               |                           | <b>-</b>    |                           | <b>-</b>    |
| <b>Total</b>   |                           | <b>1.73</b> |                           | <b>2.59</b> |

Note- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard- 7 on Statement of Cash Flow.

See accompanying notes to the financial statements  
In terms of our report attached

For, Manghani & Co.  
Chartered Accountants  
Firm Registration No. 022372C

Dinesh Manghani  
Proprietor  
Membership no. 535603

Place: Ahmedabad  
Date: 14<sup>th</sup> May, 2024

For and on behalf of the Board of  
Minaxi Textiles Limited  
CIN: L17119GJ1995PLCO25007

K.S. Patel  
Chairperson  
DIN: 00372855

D.P.Patel  
Managing Director  
DIN: 02268757

Parind Patel  
Chief Financial Officer

Priyanka Patel  
Company Secretary

Place: Chhatral  
Date: 14<sup>th</sup> May, 2024

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024**

(Rs. in lakhs)

| Particulars  | Equity Share Capital | Retained Earnings and other Equity | Total Equity    |
|--|----------------------|------------------------------------|-----------------|
| <b>Balance as at March 31, 2022</b>                                      | <b>556.03</b>        | <b>662.66</b>                      | <b>1,218.70</b> |
| Changes in accounting policy or prior period errors                      | -                    | -                                  | -               |
| <b>Restated balance at the beginning of the current reporting period</b> | <b>556.03</b>        | <b>662.66</b>                      | <b>1,218.70</b> |
| Profit/ (Loss) for the year  |                      | (621.28)                           | (621.28)        |
| Other comprehensive Income for the year net of taxes                     |                      | 4.89                               | 4.89            |
| <b>Total Comprehensive Income for the year</b>                           |                      | <b>(626.17)</b>                    | <b>(626.17)</b> |
| Forfeiture of Unpaid Equity Shares                                       | (61.87)              | 61.87                              | -               |
| Issue of Equity Shares   | -                    | -                                  | -               |
| Payment of Dividend (including Dividend distribution tax)                | -                    | -                                  | -               |
| <b>Balance as at March 31, 2023</b>                                      | <b>494.16</b>        | <b>98.36</b>                       | <b>592.52</b>   |
| Changes in accounting policy or prior period errors                      | -                    | -                                  | -               |
| <b>Restated balance at the beginning of the current reporting period</b> | <b>494.16</b>        | <b>98.36</b>                       | <b>592.52</b>   |
| Profit/ (Loss) for the year  |                      | (311.16)                           | (311.16)        |
| Other comprehensive Income for the year net of taxes                     |                      | 2.12                               | 2.12            |
| <b>Total Comprehensive Income for the year</b>                           |                      | <b>(313.27)</b>                    | <b>(313.27)</b> |
| Issue of Equity Shares   | -                    | -                                  | -               |
| Payment of Dividend (including Dividend distribution tax)                | -                    | -                                  | -               |
| <b>Balance as at March 31, 2024</b>                                      | <b>494.16</b>        | <b>(214.91)</b>                    | <b>279.25</b>   |

See accompanying notes to the financial statements  
In terms of our report attached

For, Manghani & Co.  
Chartered Accountants  
Firm Registration No. 022372C

Dinesh Manghani  
Proprietor  
Membership no. 535603

Place: Ahmedabad  
Date: 14<sup>th</sup> May, 2024

For and on behalf of the Board of  
Minaxi Textiles Limited  
CIN: L17119GJ1995PLCO25007

K.S. Patel  
Chairperson  
DIN: 00372855

D.P.Patel  
Managing Director  
DIN: 02268757

Parind Patel  
Chief Financial Officer

Priyanka Patel  
Company Secretary

Place: Chhatral  
Date: 14<sup>th</sup> May, 2024



**COMPANY OVERVIEW:**

Minaxi Textiles Ltd. is a India-based public limited textile company incorporated on March 14, 1995. The company has its registered office at "PLOT NO 3311, Phase 4, GIDC Chhatral, Chhatral INA(GIDC), Gujarat 382729, India". The Company is engaged in Weaving and manufacture of Cotton and Cotton Mixture Fabrics. The Company is also engaged in weaving of grey cloth of suiting and shirting. The Company deals in suiting products having specialty in fancy suiting fabrics. Its products include suiting lycra fabric, cotton quilts, broken twill fabric and satin fabric.

"These financial statements for the year ended on 31st March 2024, have been reviewed by the audit committee and have been considered and approved by the Board of Directors at its meeting held on 14 May 2024."

**SIGNIFICANT ACCOUNTING POLICIES:****(a) STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 as amended.

The Financial statements are presented in India Rupees, which is also the company's functional currency. All the amount have been rounded- off to the nearest lakhs, unless otherwise stated.

**(b) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**Going Concern:**

The company has incurred cash losses in current year and preceding financial year. During the year the company has executed debt restructuring scheme and restructured its overall borrowings. This will result into substantial reduction in the interest outflow for future period and has extended the repayment plan in relation to restructured borrowings. Further, the Company expects to generate operational cash-inflows in near future, which will support the Company to meets its near future cash obligations. Taking these factors into consideration, the Company believes financial information is fairly presented on going concern basis.

**(c) USE OF ESTIMATES:**

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities.

Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**(d) REVENUE RECOGNITION:**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Goods and Service Tax, returns and allowances, related discounts & incentives and volume rebates.

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably.

**(e) PROPERTY, PLANTS & EQUIPMENTS:**

Property, Plants & equipment acquired by the Company is reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any. The acquisition value includes the purchase price (excluding refundable taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such asset requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

All items of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Leasehold Land and Leasehold Improvements are amortized over the period of the lease.

**(f) DEPRICIATION:**

Depreciation is provided on the straight line method (SLM). Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act, 2013 except for Plant and Machinery, where the company has adopted useful life of 25 years. For these class of assets based on internal assessment and independent technical evaluation carried out by external values, the management believes that useful lives as given above best represent the period over which the management expects to use the assets. Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

**(g) CASH FLOW:**

The Cash flow statement is prepared by the "Indirect Method" Set out in Indian Accounting Standard 7 on "Cash Flow Statements" and present the cash flow by operating, Investing and financing activities of the company. Cash and Cash equivalents presented in the cash flow statement consist of cash on hand and other current account balance / deposits with the bank.

**(h) INVENTORIES:**

Inventories are valued at lower of cost (on FIFO basis) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of Finished goods & Work in progress includes appropriate portion of labour & overheads.

**(i) EMPLOYEE BENEFITS:****Short Term**

Short term employee benefits are recognized as an expense as the undiscounted amount expected to be paid over the period of services rendered by the employee to the company.

**Long Term**

The Company has both defined contribution and defined benefit Plans, of which some have assets in approved funds. These plans are financed by the Company in the case of defined contribution plans.

**Defined Contribution Plans**

These are plan in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to Employees Provident Fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employee performs the services that the payment covers.

**Defined Benefit Plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- 1) Service costs comprising current service costs, gains and losses on curtailments and settlements; and
- 2) Net interest expense or income

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

**(j) FOREIGN CURRENCY TRANSACTION:**

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on monetary items are recognized in the statement of profit and loss in the period in which they arise

**(k) BORROWING COST:**

Borrowing cost incurred in relation to acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets till the activities necessary for its intended use are complete. All other borrowing costs are charged in statement of profit & loss of the year in which incurred

**(l) EARNING PER SHARE:**

Basic earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**(m) PROVISION, CONTINGENT LIABILITIES CONTINGENT ASSETS:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

**(n) TAXES ON INCOME:**

Tax expense represents the sum of the current tax and deferred tax.

**Current Tax**

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) credit paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT

credit is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

**Current and deferred tax for the year**

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

**(o) GOVERNMENT GRANTS:**

Government Grants are recognized where there is reasonable assurance that the Company has complied with the conditions attached to them and that the Grant will be received. Government grants related to fixed assets are shown as deduction from the gross value of the assets concerned in arriving at their book value. The depreciation on such assets is calculated as such reduced value. The government grants related to revenue are recognized on a systematic basis in the profit and loss statements over the period necessary to match them, with the related cost which they are intended to compensate. The grant so received is deducted in reporting the related expenses.

**(p) NON-DERIVATIVE FINANCIAL INSTRUMENTS:**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and loss.

**Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

**Financial liabilities**

Financial liabilities are measured at amortized cost using the effective interest method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognized by the Company are measured at the proceeds received net off direct issue cost.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(q) OPERATING CYCLE:**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

**An asset is treated as current when it is:**

1. Expected to be realized or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realized within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**A liability is current when:**

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;

3. It is due to be settled within twelve months after the reporting period, or
  4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

**(r) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

i. Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

ii. Discount rate used to determine the carrying amount of the Company's defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

iii. Useful lives of property, plant and equipment

The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period.

iv. Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgments and assumptions.

**(s) Recent Pronouncements for Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**
**Note: 1 Property, Plant and Equipment**
**Following are the Changes in the carrying value of Property, Plant & Equipment for the year ended 31-March-2024 :**

(Rs. in lakhs)

| Particulars                                       | Lease hold Land | Building (Other than Factory) | Factory Building | Vehicles     | Furniture & Fixtures | Air Conditioner & Office Equipments | Plant & Equipments | Computer    | Humidification Plant | Laboratory Equipment | Total           |
|---|-----------------|-------------------------------|------------------|--------------|----------------------|-------------------------------------|--------------------|-------------|----------------------|----------------------|-----------------|
| Gross carrying value as on 01-Apr-2023            | 20.13           | 40.88                         | 331.67           | 40.02        | 49.15                | 4.63                                | 1,723.01           | 2.52        | 62.88                | 2.55                 | 2,277.43        |
| Addition  | -               | -                             | -                | -            | -                    | -                                   | -                  | -           | -                    | -                    | -               |
| Deletion  | -               | -                             | -                | -            | -                    | -                                   | -                  | -           | -                    | -                    | -               |
| <b>Gross carrying value as on 31-Mar-2024</b>     | <b>20.13</b>    | <b>40.88</b>                  | <b>331.67</b>    | <b>40.02</b> | <b>49.15</b>         | <b>4.63</b>                         | <b>1,723.01</b>    | <b>2.52</b> | <b>62.88</b>         | <b>2.55</b>          | <b>2,277.43</b> |
| Accumulated depreciation on 01-Apr-2023           | 1.81            | 6.01                          | 155.48           | 32.90        | 44.95                | 4.05                                | 1,153.69           | 2.01        | 57.01                | 2.43                 | 1,460.33        |
| Depreciation                                      | 0.26            | 0.65                          | 9.79             | 2.26         | 1.11                 | 0.19                                | 40.96              | 0.16        | 2.72                 | -                    | 58.09           |
| Accumulated depreciation deletions                | -               | -                             | -                | -            | -                    | -                                   | -                  | -           | -                    | -                    | -               |
| <b>Accumulated depreciation as on 31-Mar-2024</b> | <b>2.06</b>     | <b>6.66</b>                   | <b>165.27</b>    | <b>35.16</b> | <b>46.05</b>         | <b>4.24</b>                         | <b>1,194.65</b>    | <b>2.16</b> | <b>59.73</b>         | <b>2.43</b>          | <b>1,518.42</b> |
| <b>Carrying value as on 31-Mar-2024</b>           | <b>18.07</b>    | <b>34.22</b>                  | <b>166.40</b>    | <b>4.86</b>  | <b>3.10</b>          | <b>0.38</b>                         | <b>528.36</b>      | <b>0.36</b> | <b>3.14</b>          | <b>0.13</b>          | <b>759.01</b>   |

| Particulars                                       | Lease hold Land | Building (Other than Factory) | Factory Building | Vehicles     | Furniture & Fixtures | Air Conditioner & Office Equipments | Plant & Equipments | Computer    | Humidification Plant | Laboratory Equipment | Total           |
|---|-----------------|-------------------------------|------------------|--------------|----------------------|-------------------------------------|--------------------|-------------|----------------------|----------------------|-----------------|
| Gross carrying value as on 01-Apr-2022            | 20.13           | 40.88                         | 331.67           | 40.02        | 49.15                | 4.63                                | 1,723.01           | 2.03        | 62.88                | 2.55                 | 2,276.94        |
| Addition  | -               | -                             | -                | -            | -                    | -                                   | -                  | 0.49        | -                    | -                    | 0.49            |
| Deletion  | -               | -                             | -                | -            | -                    | -                                   | -                  | -           | -                    | -                    | -               |
| <b>Gross carrying value as on 31-Mar-2023</b>     | <b>20.13</b>    | <b>40.88</b>                  | <b>331.67</b>    | <b>40.02</b> | <b>49.15</b>         | <b>4.63</b>                         | <b>1,723.01</b>    | <b>2.52</b> | <b>62.88</b>         | <b>2.55</b>          | <b>2,277.43</b> |
| Accumulated depreciation on 01-Apr-2022           | 1.55            | 5.36                          | 145.69           | 30.64        | 42.47                | 3.71                                | 1,112.73           | 1.93        | 52.10                | 2.43                 | 1,398.62        |
| Depreciation                                      | 0.26            | 0.65                          | 9.79             | 2.26         | 2.47                 | 0.33                                | 40.96              | 0.08        | 4.91                 | -                    | 61.71           |
| Accumulated depreciation deletions                | -               | -                             | -                | -            | -                    | -                                   | -                  | -           | -                    | -                    | -               |
| <b>Accumulated depreciation as on 31-Mar-2023</b> | <b>1.81</b>     | <b>6.01</b>                   | <b>155.48</b>    | <b>32.90</b> | <b>44.95</b>         | <b>4.05</b>                         | <b>1,153.69</b>    | <b>2.01</b> | <b>57.01</b>         | <b>2.43</b>          | <b>1,460.33</b> |
| <b>Carrying value as on 31-Mar-2023</b>           | <b>18.33</b>    | <b>34.87</b>                  | <b>176.19</b>    | <b>7.12</b>  | <b>4.20</b>          | <b>0.58</b>                         | <b>569.32</b>      | <b>0.51</b> | <b>5.86</b>          | <b>0.13</b>          | <b>817.10</b>   |

| Note No                           |  | As at 31 <sup>st</sup> March, 2024 (Rs. in lakhs) | As at 31 <sup>st</sup> March, 2023 (Rs. in lakhs) |
|-----------------------------------|--|---|---|
| <b>2</b>                          | <b>Other Financial Assets</b>                |   |   |
|                                   | <b>Non current</b>                           |   |   |
|                                   | (unsecured, considered good)                 |   |   |
|                                   | Security Deposits                            | 21.80   | 18.33   |
|                                   | <b>Other Bank balances</b>                   |   |   |
|                                   | Fixed Deposits ##                            | 1.38  | 1.29  |
|                                   | <b>Total</b>                                 | <b>23.19</b>                                      | <b>19.61</b>                                      |
|                                   | <b>Current</b>                               |   |   |
|                                   | GST ITC refund claim                         | -   | 17.71   |
|                                   | GST - SGST Refund Receivable - Subsidy - DIC | 69.76   | 150.11  |
| Interest Subsidy Receivable       | 2.47   | 10.15   |   |
| Interest accrued but not received | 0.83   | 0.64  |   |
| Other Receivables                 | 0.60   | 0.68  |   |
| <b>Total</b>                      | <b>73.66</b>                                 | <b>179.29</b>                                     |   |

## Fixed Deposit includes Rs. 1.38 lakhs (P.Y. Rs. 1.29 lakhs) having maturity more than 12 months. This also includes fixed deposits in form of Bank guarantee given to cover the Government dues, relating to contingent liabilities.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| Note No  |                                     | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |
|----------|-------------------------------------|---|---|
| <b>3</b> | <b>Deferred Tax Liability (Net)</b> |   |   |
|          | Deferred Tax Liabilities            | (93.68)   | (93.52)   |
|          | Deferred Tax Assets                 | 410.14  | 329.07  |
|          | <b>Total</b>                        | <b>316.46</b>   | <b>235.56</b>   |

**Deferred tax liabilities/ (assets) in relation to:**

| PARTICULARS  | As at<br>April 1, 2023<br>(Rs. in lakhs) | Recognized in<br>profit and loss | As at<br>March 31, 2024<br>(Rs. in lakhs) |
|--|--|----------------------------------|---|
| <b>Deferred Tax Liabilities</b>                              |  |                                  |   |
| Impact of difference between tax depreciation & Depreciation | (93.52)                                  | (0.16)                           | (93.68)                                   |
| <b>Deferred Tax Assets</b>                                   |  |                                  |   |
| Gratuity   | 9.42                                     | 1.16                             | 10.58                                     |
| Carried Forward Losses                                       | 319.65                                   | 79.91                            | 399.56                                    |
| <b>Total</b>   | <b>235.56</b>                            | <b>80.91</b>                     | <b>316.46</b>                             |

**Deferred tax liabilities/ (assets) in relation to:**

| PARTICULARS  | As at<br>April 1, 2022<br>(Rs. in lakhs) | Recognized in<br>profit and loss | As at<br>March 31, 2023<br>(Rs. in lakhs) |
|--|--|----------------------------------|---|
| <b>Deferred Tax Liabilities</b>                              |  |                                  |   |
| Impact of difference between tax depreciation & Depreciation | (91.83)                                  | (1.69)                           | (93.52)                                   |
| <b>Deferred Tax Assets</b>                                   |  |                                  |   |
| Gratuity   | 7.90                                     | 1.51                             | 9.42                                      |
| Carried Forward Losses                                       | 110.40                                   | 209.25                           | 319.65                                    |
| <b>Total</b>   | <b>26.48</b>                             | <b>209.08</b>                    | <b>235.56</b>                             |

| Note No  |   | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |
|----------|---|---|---|
| <b>4</b> | <b>Inventories</b><br><b>(Valued at lower of cost or NRV)</b> |   |   |
|          | Raw materials   | 279.24  | 160.77  |
|          | Work in progress  | 304.44  | 363.58  |
|          | Finished goods  | 295.24  | 441.19  |
|          | Stock in Trade  | -   | -   |
|          | Stores and spares   | 26.19   | 14.64   |
|          | <b>Total</b>  | <b>905.11</b>   | <b>980.17</b>   |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| Note No                                |  | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |                  |                  |                          |                 |
|--|--|---|---|------------------|------------------|--------------------------|-----------------|
| 5                                      | <b>Trade receivables</b><br>(Unsecured and considered good)  |   |   |                  |                  |                          |                 |
|  | Trade receivables  | 383.38  | 1,365.65  |                  |                  |                          |                 |
|  | <b>Total</b>   | <b>383.38</b>   | <b>1,365.65</b>   |                  |                  |                          |                 |
| 5.1                                    | <b>Note : Refer note 32 for the information about credit risk and market risk of Trade receivables.</b>  |   |   |                  |                  |                          |                 |
|  | <b>Break-up of trade receivables</b>   |   |   |                  |                  |                          |                 |
|  | <b>Trade receivables</b>   |   |   |                  |                  |                          |                 |
|  | Trade receivables from other than related parties  | 383.38  | 1,365.65  |                  |                  |                          |                 |
|  | Receivables from related parties   | -   | -   |                  |                  |                          |                 |
|  | <b>Total</b>   | <b>383.38</b>   | <b>1,365.65</b>   |                  |                  |                          |                 |
| 5.2                                    | <b>Trade receivables ageing schedule for the year ended as on 31st March, 2024 and 31st March , 2023</b> |   |   |                  |                  |                          |                 |
|  | <b>PARTICULARS</b>   | <b>As at 31st March 2024</b>                            |   |                  |                  |                          |                 |
|  |  | <b>Less than 6 months</b>                               | <b>6 months - 1 year</b>                                | <b>1-2 years</b> | <b>2-3 years</b> | <b>More than 3 years</b> | <b>Total</b>    |
|  | Undisputed Trade receivables – considered good   | 295.33  | 1.05  | 8.72             | -                | 76.54                    | 381.63          |
|  | Undisputed Trade Receivables – considered doubtful   | -   | -   | -                | -                | -                        | -               |
|  | Disputed Trade Receivables considered good   | -   | -   | -                | -                | 1.74                     | 1.74            |
|  | Disputed Trade Receivables considered doubtful   | -   | -   | -                | -                | -                        | -               |
|  | <b>TOTAL BILLED AND DUE (A)</b>  | <b>295.33</b>   | <b>1.05</b>   | <b>8.72</b>      | <b>-</b>         | <b>78.29</b>             | <b>383.38</b>   |
|  | <b>UNBILLED DUES (B)</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>                 | <b>-</b>        |
|  | <b>TOTAL TRADE RECEIVABLES (A + B)</b>   | <b>295.33</b>   | <b>1.05</b>   | <b>8.72</b>      | <b>-</b>         | <b>78.29</b>             | <b>383.38</b>   |
|  | <b>PARTICULARS</b>   | <b>As at 31st March 2023</b>                            |   |                  |                  |                          |                 |
|  |  | <b>Less than 6 months</b>                               | <b>6 months - 1 year</b>                                | <b>1-2 years</b> | <b>2-3 years</b> | <b>More than 3 years</b> | <b>Total</b>    |
|  | Undisputed Trade receivables – considered good   | 918.99  | 9.19  | 274.11           | 14.54            | 147.08                   | 1,363.91        |
|  | Undisputed Trade Receivables – considered doubtful   | -   | -   | -                | -                | -                        | -               |
|  | Disputed Trade Receivables considered good   | -   | -   | -                | -                | 1.74                     | 1.74            |
|  | Disputed Trade Receivables considered doubtful   | -   | -   | -                | -                | -                        | -               |
|  | <b>TOTAL BILLED AND DUE (A)</b>  | <b>918.99</b>   | <b>9.19</b>   | <b>274.11</b>    | <b>14.54</b>     | <b>148.82</b>            | <b>1,365.65</b> |
| <b>UNBILLED DUES (B)</b>               | <b>-</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>                 |                 |
| <b>TOTAL TRADE RECEIVABLES (A + B)</b> | <b>918.99</b>  | <b>9.19</b>   | <b>274.11</b>   | <b>14.54</b>     | <b>148.82</b>    | <b>1,365.65</b>          |                 |



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| Note No    |  | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |               |                      |               |
|------------|--|---|---|---------------|----------------------|---------------|
| <b>6</b>   | <b>Cash and cash equivalents</b>   |   |   |               |                      |               |
|            | Balances with banks  |   |   |               |                      |               |
|            | In Current Account   | -   | -   |               |                      |               |
|            | Cash on hand   | 1.73  | 2.59  |               |                      |               |
|            | <b>Total</b>   | <b>1.73</b>   | <b>2.59</b>   |               |                      |               |
| Note No    |  | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |               |                      |               |
| <b>7</b>   | <b>Other Current Assets</b>  |   |   |               |                      |               |
|            | Balance With Revenue Authorities   | 52.96   | 28.88   |               |                      |               |
|            | Advance to Suppliers and for expenses*   | 7.24  | -   |               |                      |               |
|            | Prepaid Expenses   | 3.17  | 3.46  |               |                      |               |
|            | <b>Total</b>   | <b>63.37</b>  | <b>32.34</b>  |               |                      |               |
|            | * includes advances to suppliers for goods, stores and spares and others   |   |   |               |                      |               |
| Note No    |  | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |               |                      |               |
| <b>8</b>   | <b>Equity Share Capital</b>  |   |   |               |                      |               |
|            | Authorized Share capital (7,00,00,000 Equity Shares of Rs 1/- each)  | 700.00  | 700.00  |               |                      |               |
|            | Issued Share Capital (61,800,000 Equity Shares at Rs 1/- each)   | 618.00  | 618.00  |               |                      |               |
|            | Subscribed & fully paid share capital<br>(4,94,16,000 Equity Shares of Rs 1/- each fully paid up)<br>(P.Y. 4,94,16,000 paid up and 1,23,84,000 shares forfeited) | 494.16  | 494.16  |               |                      |               |
|            | <b>Forfeited shares</b>  | -   | 61.87   |               |                      |               |
|            | 1,23,84,000 Shares of Re. 1/- each -in F.Y. 2006-07<br>Amount paid up Rs. 0.50/- per share   |   |   |               |                      |               |
|            | Less: Forfeiture of Unpaid Equity Shares (Cancellation)  | -   | (61.87)   |               |                      |               |
|            | <b>Total</b>   | <b>494.16</b>   | <b>494.16</b>   |               |                      |               |
| <b>8.1</b> | <b>Reconciliation of the number of shares</b>  |   |   |               |                      |               |
|            | No. of Equity shares issued at the beginning of the period   | 4,94,16,000   | 4,94,16,000   |               |                      |               |
|            | Add no. of Equity shares issued during the period  | -   | -   |               |                      |               |
|            | Less no. of Equity shares bought back during the year  | -   | -   |               |                      |               |
|            | <b>No. of Equity shares at the end of the period</b>   | <b>4,94,16,000</b>                                      | <b>4,94,16,000</b>                                      |               |                      |               |
| <b>8.2</b> | <b>Details of shares held by shareholding more than 5% of the aggregate shares in the Company at the end of the year</b>   |   |   |               |                      |               |
|            | <b>Sr No.</b>  | <b>Name of Shareholders</b>                             | <b>No. of shares</b>                                    | <b>% held</b> | <b>No. of shares</b> | <b>% held</b> |
|            | 1  | Dinesh P. Patel   | 9047784   | 18.31%        | 8928454              | 18.07%        |
|            | 2  | Kiritkumar S. Patel                                     | 9049606   | 18.31%        | 8928455              | 18.07%        |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| <b>8.3 Shareholding of Promoters</b>                |  |   |   |
|---|--|---|---|
| <b>31st March 2024</b>                              |  |   |   |
| <b>Sr No.</b>                                       | <b>Promoter name</b>   | <b>No. of shares</b>  | <b>% of total shares</b>  |
| 1   | Dinshkumar Patel   | 90,47,784   | 18.31%  |
| 2   | Kiritkumar Patel   | 90,49,606   | 18.31%  |
| 3   | Nirmal B Patel   | 847,638   | 1.72%   |
| <b>TOTAL</b>  |  | <b>1,89,45,028</b>  | <b>38.34%</b>   |
| <b>31st March 2023</b>                              |  |   |   |
| <b>Sr No.</b>                                       | <b>Promoter name</b>   | <b>No. of shares</b>  | <b>% of total shares</b>  |
| 1   | Dinshkumar Patel   | 8,928,454   | 18.07%  |
| 2   | Kiritkumar Patel   | 8,928,455   | 18.07%  |
| 3   | Nirmal B Patel   | 847,638   | 1.72%   |
| <b>TOTAL</b>  |  | <b>18,704,547</b>   | <b>37.86%</b>   |
| <b>8.4 Terms /rights attached to equity shares:</b> |  |   |   |
| 1   | The company has equity shares having par value of Re. 1 per share. Each holder of equity shares is entitled to have one vote per share.  |   |   |
| 2   | In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of shares held by the shareholders.   |   |   |
| 3   | The company has Transfer and dematerialized 1485600 Unclaimed Shares on 02.11.2021 in dmate account namely "Minaxi Textiles Limited- Unclaimed Suspense Account held with Shah Investor's Home Limited (SIHL) in compliance with Schedule VI r/w Regulation 39(4) of the SEBI (LODR) Regulations, 2015, Out of which 171000 Shares were claimed by shareholders which are transferred them through corporate action by RTA on 08.04.2022. Further 20000 shares were claimed by shareholders which were transferred to them through corporate action by RTA on 25.08.2023. Now the company has 1294600 remaining Unclaimed Shares in Dmate account namely "MINAXI TEXTILES LIMITED UNCLAIMED SUSPENSE ACCOUNT". |   |   |
| 4   | The company vide its Board Meeting dated 10/02/2023 has passed the resolution to write off the shares forfeited amount of Rs. 61.87 lakhs which was long standing in the books of accounts. The corresponding 12384000 Equity shares forfeited were also written off during the year. There is no change in total paid up share capital of the Company.  |   |   |
| <b>Note No</b>                                      |  | <b>As at<br/>31<sup>st</sup> March, 2024<br/>(Rs. in lakhs)</b> | <b>As at<br/>31<sup>st</sup> March, 2023<br/>(Rs. in lakhs)</b> |
| <b>9</b>  | <b>Other Equity</b>  |   |   |
|   | <b>Retained Earnings</b>   |   |   |
|   | <b>Profit and loss account</b>   |   |   |
|   | balance as per last Financial Statement  | 98.36   | 662.66  |
|   | Add: Profit during the year  | (311.16)  | (621.28)  |
|   | Add: Forfeiture of Unpaid Equity Shares  | -   | 61.87   |
|   | Add: Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax   | (2.12)  | (4.89)  |
|   | <b>Total</b>   | <b>(214.91)</b>   | <b>98.36</b>  |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| <b>Retained earnings</b>   |                                       |   |   |
|--|---------------------------------------|---|---|
| Retained earnings are the profits that the Company has earned till date, less transfer to dividend or other distributions paid to shareholders if any. |                                       |   |   |
| <b>Note No</b>   |                                       | <b>As at<br/>31<sup>st</sup> March, 2024<br/>(Rs. in lakhs)</b> | <b>As at<br/>31<sup>st</sup> March, 2023<br/>(Rs. in lakhs)</b> |
| <b>10</b>  | <b>Borrowings</b>                     |   |   |
|  | Secured                               |   |   |
|  | Term Loans( From Banks)               | 887.96  | 1,083.66  |
|  | Less: Current Maturities of Term Loan | (159.57)  | (155.45)  |
|  | <b>(A)</b>                            | <b>728.39</b>   | <b>928.20</b>   |
|  | Un-Secured                            |   |   |
| Loan from Directors & Relatives of Directors   | 162.56                                | 247.50  |   |
| <b>(B)</b>   | <b>162.56</b>                         | <b>247.50</b>   |   |
|  | <b>Total</b>                          | <b>890.95</b>   | <b>1,175.70</b>   |

**Notes**

| <b>Secured loan taken from Banks</b> |  |
|--------------------------------------|--|
| <b>10.1</b>                          | Term loan is taken from Bank of India, which is hypothecated against the plant and machinery and furniture and fixture of the company and also Equitable Mortgage of factory block owned by the company at unit no. II, situated at plot no 3311, Phase IV, GIDC Chhatral. |
| <b>10.2</b>                          | Term loan is further secured by way of Residential flat (four) situated at Fortune Empire Kalol.   |
| <b>10.3</b>                          | Term loan are also further secured by the personal guarantees of the Directors.  |
| <b>10.4</b>                          | Terms of Repayment of term loans taken from Bank of India: ( Credit Facilities as restructured vide sanction letter dated 03/01/2022 under resolution framework 2.0)   |
|                                      | Term Loan 1) WCTL (GECL) of Rs. 3.09 crore repayable in 36 EMI's of Rs. 9.61 lakhs each commencing from 30/09/2021   |
|                                      | Term Loan 2) WCTL of Rs. 7.00 crore will be repaid in 5 years as per ballooning repayment commencing from 30/09/2023   |
|                                      | Term Loan 3) FITL - I of Rs. 0.34 crore for overdue interest in CC account will be repaid in 36 installments of Rs. 0.94 lakhs each after moratorium period of 2 years, commencing from 30/09/2023   |
|                                      | Term Loan 4) FITL - II of Rs. 1.50 crore (disbursed amount as on 31/03/2022 Rs. 18.25 lakhs) proposed to be paid in 36 installments of Rs. 4.17 lakhs each after moratorium period of 2 years commencing from 30/09/2023.  |

| <b>Note No</b> |                    | <b>As at<br/>31<sup>st</sup> March, 2024<br/>(Rs. in lakhs)</b> | <b>As at<br/>31<sup>st</sup> March, 2023<br/>(Rs. in lakhs)</b> |
|----------------|--------------------|---|---|
| <b>11</b>      | <b>Provisions</b>  |   |   |
|                | <b>Non Current</b> |   |   |
|                | Gratuity Provision | 16.10   | 15.21   |
|                | <b>Total</b>       | <b>16.10</b>  | <b>15.21</b>  |
|                | <b>Current</b>     |   |   |
|                | For Expenditure    | 11.98   | 12.23   |
| For Gratuity   | 26.22              | 22.47   |   |
|                | <b>Total</b>       | <b>38.20</b>  | <b>34.70</b>  |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| Note No     |  | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |
|-------------|--|---|---|
| <b>12</b>   | <b>Borrowings</b>  |   |   |
|             | <b>Secured</b>   |   |   |
|             | Working Capital Loans from Bank  | 636.83  | 705.59  |
|             | <b>Current maturities of long term debt</b>  |   |   |
|             | <b>Secured</b>   |   |   |
|             | - From Bank (Term Loan)  | 159.57  | 155.45  |
|             | <b>Total</b>   | <b>796.40</b>   | <b>861.05</b>   |
| <b>12.1</b> | Cash Credit Facilities from Bank of India is hypothecated against the Raw Material and Stock in Progress, Finished Goods, Store and entire present and future book debts and further secured by first charge on immovable/ movable properties of Unit II of the company. |   |   |
| <b>12.2</b> | Term loan are also further secured by the personal guarantees of the Directors.  |   |   |
| <b>12.3</b> | The above facilities are further secured by way of Residential flat (four) situated at fortune empire Kalol.   |   |   |
| <b>12.4</b> | Terms: Repayment on Demand.  |   |   |
| <b>12.5</b> | The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.   |   |   |
| Note No     |  | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |
| <b>13</b>   | <b>Trade Payables</b>  |   |   |
|             | Dues of Micro, Small and Medium enterprises  | 49.24   | -   |
|             | Dues to Others   | 442.75  | 952.06  |
|             | <b>Total</b>   | <b>491.99</b>   | <b>952.06</b>   |

**Notes :**

- Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.
- Refer Note 32 for information about credit risk, market risk and liquidity risk of Trade payables.

| PARTICULARS                         | As at 31st March 2024 |           |           |                      |               |
|-------------------------------------|-----------------------|-----------|-----------|----------------------|---------------|
|                                     | Less than<br>1 year   | 1-2 years | 2-3 years | More than<br>3 years | Total         |
| (i) MSME                            | 49.24                 | -         | -         | -                    | 49.24         |
| (ii) Others                         | 440.19                | -         | -         | -                    | 440.19        |
| (iii) Disputed dues – MSME          | -                     | -         | -         | -                    | -             |
| (iv) Disputed dues - Others         | -                     | -         | -         | 2.56                 | 2.56          |
| <b>TOTAL BILLED AND DUE (A)</b>     | <b>489.43</b>         | <b>-</b>  | <b>-</b>  | <b>2.56</b>          | <b>491.99</b> |
| <b>UNBILLED DUES (B)</b>            | <b>-</b>              | <b>-</b>  | <b>-</b>  | <b>-</b>             | <b>-</b>      |
| <b>TOTAL TRADE PAYABLES (A + B)</b> | <b>489.43</b>         | <b>-</b>  | <b>-</b>  | <b>2.56</b>          | <b>491.99</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| PARTICULARS                         | As at 31st March 2023 |           |             |                   |               |
|-------------------------------------|-----------------------|-----------|-------------|-------------------|---------------|
|                                     | Less than 1 year      | 1-2 years | 2-3 years   | More than 3 years | Total         |
| (i) MSME                            | -                     | -         | -           | -                 | -             |
| (ii) Others                         | 931.76                | -         | 5.58        | 12.16             | 949.50        |
| (iii) Disputed dues – MSME          | -                     | -         | -           | -                 | -             |
| (iv) Disputed dues - Others         | -                     | -         | -           | 2.56              | 2.56          |
| <b>TOTAL BILLED AND DUE (A)</b>     | <b>931.76</b>         | <b>-</b>  | <b>5.58</b> | <b>14.72</b>      | <b>952.06</b> |
| <b>UNBILLED DUES (B)</b>            | <b>-</b>              | <b>-</b>  | <b>-</b>    | <b>-</b>          | <b>-</b>      |
| <b>TOTAL TRADE PAYABLES (A + B)</b> | <b>931.76</b>         | <b>-</b>  | <b>5.58</b> | <b>14.72</b>      | <b>952.06</b> |

The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act); disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company/identified by the Company management:

| Note No |   | As at 31 <sup>st</sup> March, 2024 | As at 31 <sup>st</sup> March, 2023 |
|---------|---|------------------------------------|------------------------------------|
| A)      | (i) Principal amount remaining unpaid at the end of the accounting year from Medium Enterprises   | 49.24                              | -                                  |
|         | (ii) Interest due on above  | Nil                                | Nil                                |
| B)      | The amount of interest paid by the company in terms of section 16 of the MSMED Act, 2006 along with amount of payment made to the supplier beyond the appointed date during the accounting year             | Nil                                | Nil                                |
| C)      | The amount of interest accrued and remaining unpaid at the end of the financial year  | Nil                                | Nil                                |
| D)      | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED Act, 2006 | Nil                                | Nil                                |
| E)      | The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid  | Nil                                | Nil                                |

| Note No   |  | As at 31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at 31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |
|-----------|--|--|--|
| <b>14</b> | <b>Other Financial liabilities</b>     |  |  |
|           | <b>Unsecured</b>                       |  |  |
|           | Other Payables#                        | 1.59   | 0.88   |
|           | <b>Total</b>                           | <b>1.59</b>  | <b>0.88</b>  |
|           | # This includes statutory dues payable |  |  |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| Note No |   | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |
|---------|---|---|---|
| 15      | <b>Current tax liabilities/ (Asset)</b><br>For Income Tax (net) | -   | -   |
|         | <b>Total</b>  | -   | -   |

| Note No |  | As at<br>31 <sup>st</sup> March, 2024<br>(Rs. in lakhs) | As at<br>31 <sup>st</sup> March, 2023<br>(Rs. in lakhs) |
|---------|--|---|---|
| 16      | <b>Other Current Liabilities</b><br>Advance from Customers | 11.43   | 0.20  |
|         | <b>Total</b>   | <b>11.43</b>  | <b>0.20</b>   |

| Note No |  | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|---------|--|-----------------------------|-------------------------------|
| 17      | <b>Revenue from Operations</b><br>Sale of products       |                             |                               |
|         | -Domestic Sale   | 3,309.32                    | 2,696.75                      |
|         | <b>Other operating revenues</b><br>Reimbursement of SGST | -                           | 38.34                         |
|         | Other operating revenues                                 | 119.70                      | 186.00                        |
|         | <b>Total</b>   | <b>3,429.02</b>             | <b>2,921.09</b>               |

| Note No |   | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|---------|---|-----------------------------|-------------------------------|
| 18      | <b>Other Income</b><br>Interest Income          | 1.49                        | 1.14                          |
|         | Earlier Year Intrest Waiver (Moratorium Period) | 82.29                       | -                             |
|         | Forex Gain                                      | 0.18                        | 0.21                          |
|         | Sundry Written Off (net)                        | -                           | 3.12                          |
|         | <b>Total</b>                                    | <b>83.95</b>                | <b>4.48</b>                   |

| Note No |  | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|---------|--|-----------------------------|-------------------------------|
| 19      | <b>Cost of Material Consumed #</b><br>Stock at Opening | 160.77                      | 180.15                        |
|         | Add: Purchase during the year                          | 3,160.26                    | 2,343.67                      |
|         | Add : Other direct expenses                            | 15.58                       | 14.61                         |
|         | Less : Closing Stock                                   | 279.24                      | 160.77                        |
|         | <b>Total</b>   | <b>3,057.36</b>             | <b>2,377.66</b>               |

# Major item of Raw Material Includes Yarn used for manufacturing of Grey Cloth.

| Note No |   | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|---------|---|-----------------------------|-------------------------------|
| 20      | <b>Purchase of Stock in Trade</b><br>Purchase during the year | -                           | -                             |
|         | <b>Total</b>  | -                           | -                             |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| Note No |  | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|---------|--|-----------------------------|-------------------------------|
| 21      | <b>Changes in inventories of finished goods, work-in-progress and Stock-in-Transit</b> |                             |                               |
|         | <b>Inventories (at Close)</b>  |                             |                               |
|         | Work in progress   | 304.44                      | 363.58                        |
|         | Finished Goods   | 295.24                      | 441.19                        |
|         | Stock in Trade   | -                           | -                             |
|         |  | <b>599.68</b>               | <b>804.76</b>                 |
|         | <b>Inventories (at Commencement)</b>   |                             |                               |
|         | Work in progress   | 363.58                      | 230.52                        |
|         | Finished Goods   | 441.19                      | 486.14                        |
|         | Stock in Trade   | -                           | 776.73                        |
|         | <b>804.76</b>  | <b>1,493.39</b>             |                               |
|         | <b>Total</b>   | <b>205.08</b>               | <b>688.63</b>                 |

| Note No |  | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|---------|--|-----------------------------|-------------------------------|
| 22      | <b>Employee Benefits Expense</b>                 |                             |                               |
|         | <b>Salaries and Wages</b>                        | <b>73.87</b>                | <b>77.64</b>                  |
|         | <b>Director Remuneration</b>                     | <b>24.00</b>                | <b>6.00</b>                   |
|         | <b>Bonus</b>                                     | <b>6.12</b>                 | <b>6.24</b>                   |
|         | <b>Gratuity Expense</b>                          | <b>2.52</b>                 | <b>2.63</b>                   |
|         | <b>Contribution to provident and other funds</b> | <b>6.25</b>                 | <b>6.44</b>                   |
|         | <b>Staff welfare expenses</b>                    | <b>1.94</b>                 | <b>1.81</b>                   |
|         |  | <b>Total</b>                | <b>114.70</b>                 |

As per Indian Accounting Standard (Ind AS) 19 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

**A. Defined Contribution Plan**

Contribution to defined contribution plan, recognized as expense for the year are as under :

| Particulars                    | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|--------------------------------|-----------------------------|-------------------------------|
| Contribution to Provident Fund | 5.52                        | 5.65                          |
| <b>Total</b>                   | <b>5.52</b>                 | <b>5.65</b>                   |

**B. Defined Benefit Plan**

The Company has adopted Indian Accounting Standard 19 (Ind AS-19) "Employee Benefits" and has provided valuation as per requirement of Ind AS-19 in accordance with The Companies (Indian Accounting Standard) Rules, 2015. The actuarial valuation is done as per Projected Unit Credit Method as suggested under Ind AS- 19.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**
**I. Reconciliation of opening and closing balance of Defined Benefit Obligation**

| Particulars                               | Gratuity (Unfunded)         | Gratuity (Unfunded)           |
|---|-----------------------------|-------------------------------|
|   | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
| Opening defined benefit obligation        | 37.68                       | 31.62                         |
| Service cost                              | 1.12                        | 1.19                          |
| Interest cost                             | 1.41                        | 1.44                          |
| Actuarial (Gain) / Loss                   | 2.12                        | 4.89                          |
| Benefits paid                             | -                           | 1.46                          |
| <b>Closing defined benefit obligation</b> | <b>42.32</b>                | <b>37.68</b>                  |

**II. Reconciliation of opening and closing balance of fair value of plan assets**

| Particulars                              | Gratuity (Unfunded)                              | Gratuity (Unfunded)                              |
|--|--|--|
|  | 2023-2024<br>(Rs. in lakhs)                      | 2022 - 2023<br>(Rs. in lakhs)                    |
| Opening fair value of plan assets        | Not applicable as gratuity liability is unfunded | Not applicable as gratuity liability is unfunded |
| Expected return                          |  |  |
| Actuarial Gain / (Loss)                  |  |  |
| Employer contribution                    |  |  |
| Benefits paid                            |  |  |
| <b>Closing fair value of plan assets</b> |  |  |

**III. Reconciliation of fair value of assets and obligation**

| Particulars                        | Gratuity (Unfunded)                              | Gratuity (Unfunded)                              |
|------------------------------------|--|--|
|                                    | 2023-2024<br>(Rs. in lakhs)                      | 2022 - 2023<br>(Rs. in lakhs)                    |
| Fair value of plan assets          | Not applicable as gratuity liability is unfunded | Not applicable as gratuity liability is unfunded |
| Present value of obligation        |  |  |
| Amount recognized in balance sheet |  |  |

**IV. Expense recognized during the year in profit and loss account (under the head "Employee benefit expense" of 'Note - 22')**

| Particulars  | Gratuity (Unfunded)         | Gratuity (Unfunded)           |
|--|-----------------------------|-------------------------------|
|  | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
| Service cost   | 1.12                        | 1.19                          |
| Interest cost  | 1.41                        | 1.44                          |
| <b>Net cost included in 'Employee Benefit Expense'</b> |                             |                               |

**V. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period**

| Particulars  | Gratuity (Unfunded)         | Gratuity (Unfunded)           |
|--|-----------------------------|-------------------------------|
|  | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
| Actuarial (Gain) / Losses on Obligation For the Period       | 2.12                        | 4.89                          |
| Return on Plan Assets, Excluding Interest Income             | -                           | -                             |
| Change in Asset Ceiling                                      | -                           | -                             |
| <b>Net (Income)/Expense For the Period Recognized in OCI</b> | <b>2.12</b>                 | <b>4.89</b>                   |



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**
**VI. Investment Details**

| Particulars                 | % invested                                       | % invested                                       |
|-----------------------------|--|--|
|                             | 2023-2024<br>(Rs. in lakhs)                      | 2022 - 2023<br>(Rs. in lakhs)                    |
| Public sector securities    | Not applicable as gratuity liability is unfunded | Not applicable as gratuity liability is unfunded |
| Special deposit schemes     |  |  |
| State Government securities |  |  |
| FDR with banks              |  |  |
| Balance with banks          |  |  |
| <b>Total</b>                | -  | -  |

**VII. Actuarial Assumptions**

| Particulars   | Gratuity (Unfunded)         | Gratuity (Unfunded)           |
|---|-----------------------------|-------------------------------|
|   | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
| Retirement Age                                      | 58 years                    | 58 years                      |
| Vesting Period                                      | 5 years                     | 5 years                       |
| Discount rate ( per annum)                          | 7.50%                       | 7.23%                         |
| Expected rate of return on plan assets ( per annum) | N.A                         | N.A.                          |
| Rate of salary increase                             | 4.00%                       | 4.00%                         |
| Rate of employee turnover                           | 1.00%                       | 1.00%                         |

**VIII. Expected Employer's Contribution for the financial year**

For the defined benefit plan company is not liable to contribute any amount as the plans are unfunded. The estimate of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**Expected Benefit Payments in the following year**

Projected Benefits Payable in Future Years From the Date of Reporting:

| PARTICULARS               | 2023-2024 | 2022 - 2023 |
|---------------------------|-----------|-------------|
| 1st Following Year        | 26.22     | 22.47       |
| 2nd Following Year        | 0.32      | 0.31        |
| 3rd Following Year        | 2.08      | 0.33        |
| 4th Following Year        | 0.32      | 1.95        |
| 5th Following Year        | 0.33      | 0.33        |
| Sum of Years 6 to 10      | 11.54     | 1.91        |
| Sum of Years 11 and above | 23.13     | 36.97       |

**Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| Particulars   | 2023-2024 | 2022 - 2023 |
|---|-----------|-------------|
| Projected Benefit Obligation on Current Assumptions         | 42.32     | 37.68       |
| Delta effect of +1% change in the rate of Discounting       | (1.52)    | (1.61)      |
| Delta effect of -1% change in the rate of Discounting       | 1.75      | 1.88        |
| Delta effect of +1% change in the rate of salary Increase   | 1.79      | 1.93        |
| Delta effect of -1% change in the rate of salary increase   | (1.58)    | (1.67)      |
| Delta effect of +1% change in the rate of employee turnover | 0.47      | 0.62        |
| Delta effect of -1% change in the rate of employee turnover | (0.52)    | (0.70)      |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognized in Balance Sheet.

| Note No   |                              | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|-----------|------------------------------|-----------------------------|-------------------------------|
| <b>23</b> | <b>Finance Costs</b>         |                             |                               |
|           | <b>Interest expenses on:</b> |                             |                               |
|           | Working Capital              | 95.32                       | 96.25                         |
|           | Term Loans                   | 27.87                       | 98.23                         |
|           | Interest to Others           | 0.44                        | 16.76                         |
|           | Other borrowing costs        | 3.28                        | 5.48                          |
|           | <b>Total</b>                 | <b>126.90</b>               | <b>216.72</b>                 |

| Note No   |  | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|-----------|--|-----------------------------|-------------------------------|
| <b>24</b> | <b>Other Expenses</b>                            |                             |                               |
|           | <b>Manufacturing Expenses:</b>                   |                             |                               |
|           | Consumption of stores and spare parts(Note 24.1) | 42.95                       | 54.27                         |
|           | Electricity Expenses                             | 183.37                      | 152.65                        |
|           | Job work and Process Expenses                    | 24.55                       | 20.17                         |
|           | EPCG and Custom Duty                             | 2.14                        | 2.81                          |
|           | Repairs & Maintenance                            | 7.11                        | 8.42                          |
|           | Other Operating Expenses                         | 2.87                        | 2.84                          |
|           | <b>Administrative Expenses:</b>                  |                             |                               |
|           | Audit Fees (Note 24.2)                           | 1.00                        | 1.00                          |
|           | Insurance Premium                                | 2.88                        | 3.45                          |
|           | Legal, Professional & Consultancy Charges        | 14.59                       | 13.02                         |
|           | Rates & Taxes                                    | 3.30                        | 3.14                          |
|           | Vehicle Repairs & Maintenance                    | 0.05                        | 0.63                          |
|           | Security expenses                                | 2.66                        | 2.58                          |
|           | Other Administrative Expenses                    | 3.25                        | 5.36                          |
|           | <b>Selling &amp; Distribution Expenses:</b>      |                             |                               |
|           | Brokerage & Commission                           | 35.90                       | 31.07                         |
|           | GST Expense                                      | -                           | 0.46                          |
|           | Other Selling & Administrative Expenses          | 8.35                        | 8.57                          |
|           | <b>Total</b>                                     | <b>334.96</b>               | <b>310.45</b>                 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**
**24.1 Imported and Indigenous Store and Spare Parts Consumed:**

|            | As at 31 <sup>st</sup> March, 2024 |                | As at 31 <sup>st</sup> March, 2023 |                |
|------------|------------------------------------|----------------|------------------------------------|----------------|
|            | Amount (Rs)                        | %              | Amount (Rs)                        | %              |
| Imported   | 25.47                              | 59.30%         | 38.44                              | 70.83%         |
| Indigenous | 17.48                              | 40.70%         | 15.83                              | 29.17%         |
|            | <b>42.95</b>                       | <b>100.00%</b> | <b>57.27</b>                       | <b>100.00%</b> |

**24.2 Payment to Auditors**

| Note No |                            | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|---------|----------------------------|-----------------------------|-------------------------------|
| (a)     | As Auditor                 |                             |                               |
|         | For Statutory Audit        | 0.50                        | 0.50                          |
|         | For Tax Audit Fees         | 0.40                        | 0.40                          |
| (b)     | For Certification & Others | 0.10                        | 0.10                          |
|         | <b>Total</b>               | <b>1.00</b>                 | <b>1.00</b>                   |

**25 Tax Expenses**

|  | Income tax expense in the statement of profit and loss comprise | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|--|---|-----------------------------|-------------------------------|
|  | Current taxes   | 7.93                        | -                             |
|  | Deferred taxes  | (80.91)                     | (209.08)                      |
|  | Current taxes on OCI  | -                           | -                             |
|  | Income tax expense  | (72.98)                     | (209.08)                      |

A reconciliation of income tax provision to amount computed by applying the statutory income relates to the income before income tax is summarized below

| Particulars   | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|---|-----------------------------|-------------------------------|
| Profit/ (Loss) before tax   | (384.14)                    | (830.36)                      |
| Income tax at Prevailing Rates  | 25.00%                      | 25.00%                        |
| Income tax expense  | (96.03)                     | (207.59)                      |
| <b>Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income :</b> |                             |                               |
| Effect of expenses that are not deductible in determining taxable profit                              | 60.61                       | 63.71                         |
| Effect of expenses that are deductible in determining taxable profit                                  | 35.42                       | 143.88                        |
| Adjustments in respect of current income tax of previous year   | (7.93)                      | -                             |
| Mat Credit Entitlement  | -                           | -                             |
| <b>Current Tax Provision (A)</b>  | <b>(7.93)</b>               | <b>-</b>                      |
| Incremental / (Reversal) of Deferred Tax Liability on account of Tangible and Intangible Assets       | (0.16)                      | (1.69)                        |
| (Incremental) / Reversal Deferred Tax Asset on account of Financial Assets and Other Items            | 81.07                       | 210.77                        |
| <b>Deferred tax Provision (B)</b>   | <b>80.91</b>                | <b>209.08</b>                 |
| <b>Tax effect on Items in Other Comprehensive Income (C)</b>  | <b>-</b>                    | <b>-</b>                      |
| <b>Tax Expenses recognized in Statement of Profit and Loss (A+B+C)</b>                                | <b>72.98</b>                | <b>209.08</b>                 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

| Note No   |   | 2023-2024<br>(Rs. in lakhs) | 2022 - 2023<br>(Rs. in lakhs) |
|-----------|---|-----------------------------|-------------------------------|
| <b>26</b> | <b>Earning Per Share (EPS)</b>  |                             |                               |
|           | Profit/ (Loss) for the year attributable to owners of the Company (Rs.) | (311.16)                    | (621.28)                      |
|           | Basic/ Weighted average number of Equity Shares (Nos.)                  | 4,94,16,000                 | 4,94,16,000                   |
|           | Nominal value of Equity Shares (Amount in Re.)                          | 1.00                        | 1.00                          |
|           | Basic & Diluted Earning Per Share (Amount in Rs.)                       | (0.63)                      | (1.26)                        |

**Note: 27 Contingent Liabilities and Commitments (to the extent not provided for)**

- 1) The interest liability amounting to Rs. 8.95 lakhs and the prepayment charges amounting to Rs. 47.99 lakhs are in dispute with Axis Bank Ltd due to take over by bank. Hence, the demand by Axis Bank Ltd for interest and prepayment charges are not provided in the books of accounts and the matter is sub judice.
- 2) The Demand of income tax amounting to Rs. 2.44 lakhs which is disputed for F.Y. 17-18 (A.Y. 2018- 19). The matter is pending at Commissioner (Appeals) - Gandhinagar. The company has filed application under Income Tax Vivaad Se Vishwas Scheme and the same is pending.
- 3) The Demand of income tax amounting to Rs. 62.06 lakhs which is disputed for F.Y. 18-19 (A.Y. 2019- 20). The matter is pending at Commissioner (Appeals).

**Note: 28 Long Term Contracts**

- 1) There are no long term contracts as on 31/03/2024, including derivative contracts for which there are any material foreseeable losses.

**Note: 29 Related Party Disclosures**

Names of related parties and description of relationship from/ to which following transactions were entered during the year.

| Sr. No. | Name                | Relationship            |
|---------|---------------------|-------------------------|
| 1       | Dineshbhai P. Patel | Managing Director       |
| 2       | Kiritbhai S. Patel  | Whole Time Director     |
| 3       | Bharatbhai P. Patel | Director                |
| 4       | Nirmal B. Patel     | Relative of Director    |
| 5       | Komal N. Patel      | Relative of Director    |
| 6       | Manjulaben Patel    | Relative of Director    |
| 7       | Priyanka Patel      | Company Secretary       |
| 8       | Sweta Patel         | Director                |
| 9       | Parind Patel        | Chief Financial Officer |

**Transactions with related parties & Balance Outstanding as at the year end**
**(Rs. in lakhs)**

| Sr. No. | Nature of Transaction & name of the related party | 2023-24 | Outstanding as on 31/03/2024 | 2022-23 | Outstanding as on 31/03/2023 |
|---------|---|---------|------------------------------|---------|------------------------------|
| 1       | <b>Remuneration (note 30)</b>                     |         |                              |         |                              |
|         | Dineshbhai Patel                                  | 12.00   | 0.85                         | 3.00    | 0.99                         |
|         | Kiritbhai Patel                                   | 12.00   | 0.85                         | 3.00    | 0.99                         |
|         | Priyanka Patel                                    | 2.60    | 0.23                         | 2.40    | 0.18                         |
| 2       | <b>Loan Taken</b>                                 |         |                              |         |                              |
|         | Dineshbhai Patel                                  | 80.00   | 62.06                        | 99.50   | 93.06                        |
|         | Kiritbhai Patel                                   | 78.50   | 67.51                        | 103.40  | 86.01                        |
|         | Komal N. Patel                                    | -       | -                            | -       | 11.43                        |
| 3       | <b>Loan Repaid</b>                                |         |                              |         |                              |
|         | Bharatbhai Patel                                  | -       | -                            | 39.56   | -                            |
|         | Dineshbhai Patel                                  | 111.00  | -                            | 70.58   | -                            |
|         | Kiritbhai Patel                                   | 97.00   | -                            | 86.53   | -                            |
|         | Komal N. Patel                                    | 11.43   | -                            | 2.55    | -                            |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

**Note: 30:** The Board of Directors at its meeting held on 10/02/2023 has resolved to increase in and payment of remuneration to Managing Director and Whole Time Director . The remuneration so paid is within the limits of Second Proviso of Section II(A) of part II of Schedule V and sub section 3 of Section 197 of the Companies Act, 2013.

**Note: 31:** The Company is primarily engaged in one business segment as determined in accordance with Ind AS 108 – “Operating Segment.

**Note: 32:** Previous year figures have been accordingly regrouped/ reclassified to conform to the current year’s classification.

**Note: 33 - FINANCIAL INSTRUMENTS**

The carrying value and fair value instruments by categories as of 31st March, 2024 were as follows:

| Particulars                  | March 31,2024   |          |          |                      |                  |
|------------------------------|-----------------|----------|----------|----------------------|------------------|
|                              | Amortized Cost  | FVTPL    | FVOCI    | Total Carrying value | Total fair value |
| <b>Financial assets</b>      |                 |          |          |                      |                  |
| Trade receivables            | 383.38          | -        | -        | 383.38               | 383.38           |
| Cash and cash equivalents    | 1.73            | -        | -        | 1.73                 | 1.73             |
| Other Financial Assets       | 96.84           | -        | -        | 96.84                | 96.84            |
| <b>Total</b>                 | <b>481.95</b>   | <b>-</b> | <b>-</b> | <b>481.95</b>        | <b>481.95</b>    |
| <b>Financial liabilities</b> |                 |          |          |                      |                  |
| Borrowings                   | 1,687.35        | -        | -        | 1,687.35             | 1,687.35         |
| Trade payables               | 491.99          | -        | -        | 491.99               | 491.99           |
| Other Financial Liabilities  | 1.59            | -        | -        | 1.59                 | 1.59             |
| <b>Total</b>                 | <b>2,180.93</b> | <b>-</b> | <b>-</b> | <b>2,180.93</b>      | <b>2,180.93</b>  |

| Particulars                  | March 31,2023   |          |          |                      |                  |
|------------------------------|-----------------|----------|----------|----------------------|------------------|
|                              | Amortized Cost  | FVTPL    | FVOCI    | Total Carrying value | Total fair value |
| <b>Financial assets</b>      |                 |          |          |                      |                  |
| Trade receivables            | 1,365.65        | -        | -        | 1,365.65             | 1,365.65         |
| Cash and cash equivalents    | 2.59            | -        | -        | 2.59                 | 2.59             |
| Other Financial Assets       | 198.90          | -        | -        | 198.90               | 198.90           |
| <b>Total</b>                 | <b>1,567.14</b> | <b>-</b> | <b>-</b> | <b>1,567.14</b>      | <b>1,567.14</b>  |
| <b>Financial liabilities</b> |                 |          |          |                      |                  |
| Borrowings                   | 2,036.75        | -        | -        | 2,036.75             | 2,036.75         |
| Trade payables               | 952.06          | -        | -        | 952.06               | 952.06           |
| Other Financial Liabilities  | 0.88            | -        | -        | 0.88                 | 0.88             |
| <b>Total</b>                 | <b>2,989.68</b> | <b>-</b> | <b>-</b> | <b>2,989.68</b>      | <b>2,989.68</b>  |

**Financial risk management**

The Company’s business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risks. The company’s senior management has the overall responsibility for establishing and governing the company’s risk management framework. The company’s risk management policies considers market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the company.

**A. Management of Liquidity Risk**

Liquidity risk is the risk that the company will face in meeting its obligation 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.

Due to dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability of under committed credit lines. Management monitors rolling forecasts of the company’s liquidity

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The following table shows the maturity analysis of the company's financial liabilities based on the contractually agreed undiscounted cash flows along with its carrying value as at the Balance sheet date.

Exposure as at 31<sup>st</sup> March, 2024

| <b>Particulars</b>                 | <b>&lt;1 year (including borrowings repayable on demand)</b> | <b>1-5 years</b> | <b>Beyond 5 Years</b> | <b>Total</b>    |
|------------------------------------|--|------------------|-----------------------|-----------------|
| <b>Financial Liabilities</b>       |  |                  |                       |                 |
| Borrowings                         | 796.40   | 728.39           | -                     | 1,524.79        |
| Trade Payables                     | 491.99   | -                | -                     | 491.99          |
| Other Financial Liabilities        | 1.59   | -                | -                     | 1.59            |
| <b>Total Financial Liabilities</b> | <b>1,289.97</b>  | <b>728.39</b>    | <b>-</b>              | <b>2,018.36</b> |

Exposure as at 31<sup>st</sup> March, 2023

| <b>Particulars</b>                 | <b>&lt;1 year (including borrowings repayable on demand)</b> | <b>1-5 years</b> | <b>Beyond 5 Years</b> | <b>Total</b>    |
|------------------------------------|--|------------------|-----------------------|-----------------|
| <b>Financial Liabilities</b>       |  |                  |                       |                 |
| Borrowings                         | 861.05   | 893.70           | 282.00                | 2,036.75        |
| Trade Payables                     | 952.06   | -                | -                     | 952.06          |
| Other Financial Liabilities        | 0.88   | -                | -                     | 0.88            |
| <b>Total Financial Liabilities</b> | <b>1,813.98</b>  | <b>893.70</b>    | <b>282.00</b>         | <b>2,989.68</b> |

**B. Management of Credit Risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

**Other financial assets**

This comprises mainly of deposits with banks and other intercompany receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these are banks and recognized financial institutions. Banks and recognized financial institutions have high credit ratings assigned by the international credit rating agencies.

**Trade receivables**

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through out each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

Actual or expected significant adverse changes in business,

Actual or expected significant changes in the operating results of the counterparty,

Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

Significant increase in credit risk on other financial instruments of the same counterparty,  
Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

**B. Management of Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans.

Within the various methodologies to analyze and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit and loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023.

**Interest Rate Risk**

Interest rate risk is that the future cash flow with respect to interest payments on borrowing will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debts obligation with floating interest rates.

**Interest rate sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 50 basis points interest rate across all yield curves.

| Particulars                   | (Amount in Rs.)<br>Impact on profit<br>before tax |
|-------------------------------|---|
| <b>As at 31st March, 2024</b> |   |
| Increase in 50 basis points   | (7.62)  |
| Decrease in 50 basis points   | 7.62  |
| <b>As at 31st March, 2023</b> |   |
| Increase in 50 basis points   | (8.95)  |
| Decrease in 50 basis points   | 8.95  |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**
**Foreign currency risk & Exposure to Currency Risk:**

The Company does not have significant exposure to foreign currency risk. Accordingly, the management does not hedge any foreign currency receipts or payments.

**Capital Management**

Equity Share capital and other equity are considered for the purpose of company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The Capital structure of the company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company monitors capital using Debt-Equity ratio, which is net debt divided by total equity.

The management and the Board of Directors monitors the return on capital. The company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**Gearing Ratio**

| Particulars                   | As at<br>March 31, 2024 | As at<br>March 31, 2023 |
|-------------------------------|-------------------------|-------------------------|
| Debt                          | 1,687.35                | 2,036.75                |
| Less: Cash & Cash Equivalents | 1.73                    | 2.59                    |
| <b>Net Debt</b>               | <b>1685.62</b>          | <b>2,034.16</b>         |
| Total Equity                  | 279.25                  | 592.52                  |
| Net Debts to Equity Ratio     | 6.04                    | 3.43                    |

Debt is defined as Borrowings - long term and short term and Current Maturities of long term Borrowings

In order to achieve this overall objective, the company's capital management, amongst to these things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2024 and 31st March, 2023.

**Note: 34 - Additional Notes**

- 1) In the opinion of the Board of Directors:
  - (a) Current assets, non-current loans and advances are realizable in the ordinary course of business, at the value at which they are stated
  - (b) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary, if any.
- 2) Balance of Trade receivables, Trade payables, loans and advances, Unsecured Loans are subject to reconciliation, confirmation and subsequent adjustments, if any, from the respective parties.
- 3) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- 4) The provision of section 135 of the Companies Act 2013 in relation to Corporate Social Responsibility are not applicable to the company during the year.
- 5) There are no transactions with Companies Struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- 6) The company does not hold any benami property as defined under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. No proceedings have been initiated during the year or are pending against the company as at 31st March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

- 7) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the company as at the balance sheet date.
- 8) The Company has not done revaluation of Property, Plant & Equipments / Intangible assets.
- 9) **Utilization of Borrowed fund or share premium:**
- (a) During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person 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.
- (b) During the year, no funds 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.
- 10) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- 11) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- 12) The company does not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.
- 13) The company has incurred cash losses in current year and preceding financial year. During the previous year the company has executed debt restructuring scheme and restructured its overall borrowings. This will result into substantial reduction in the interest outflow for future period and has extended the repayment plan in relation to restructured borrowings. Further, the Company expects to generate operational cash-inflows in near future, which will support the Company to meet its near future cash obligations. Taking these factors into consideration, the Company believes financial information is fairly presented on going concern basis.
- 14) The bank has debited an amount of Rs. 82.29 lacs to the company's term loan account during the moratorium period in previous years. The company has debited its profit and loss account for such interest expense. During the current period, the bank has reversed the said interest expense relating to moratorium period, amounting to Rs. 82.29 lakhs and credited the said amount to the loan account of the company. Accordingly, the company has shown the same under the head "Other Income" during the period.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**
**15) Ratios**

The following are analytical ratios for the year ended 31st March, 2024 and 31st March, 2023

| Sr. No. | Ratio                           | Numerator                               | Denominator                  | 31st March 2024 | 31st March 2023 | % Variance | Reason for variance   |
|---------|---------------------------------|---|------------------------------|-----------------|-----------------|------------|---|
| 1       | Current ratio                   | Current Assets                          | Current Liabilities          | 1.07            | 1.38            | -23.05%    |   |
| 2       | Debt equity ratio               | Total Debt                              | Shareholder's Equity         | 6.04            | 3.44            | 75.79%     | reduction in shareholder's equity due to loss during the year |
| 3       | Debt service coverage ratio     | Earnings available for Debt Service (1) | Debt Service (2)             | -0.45           | -1.09           | -58.88%    | reduction in loss compare to previous year                    |
| 4       | Return on Equity                | Net Profits after taxes                 | Average Shareholder's Equity | -71.87%         | -69.14%         | 3.94%      |   |
| 5       | Inventory turnover ratio        | Revenue                                 | Average Inventory            | 3.64            | 2.20            | 65.28%     | increase in turnover  |
| 6       | Trade receivable turnover ratio | Revenue                                 | Average Trade Receivable     | 3.92            | 2.28            | 72.10%     | increase in turnover  |
| 7       | Trade payable turnover ratio    | Purchases                               | Average Trade Payable        | 4.45            | 3.01            | 47.89%     | increase in purchase due to increase in turnover              |
| 8       | Net capital turnover ratio      | Revenue                                 | Working Capital              | 39.13           | 4.11            | 852.59%    | reduction in current assets                                   |
| 9       | Net profit ratio                | Net Profit                              | Revenue                      | -0.09           | -0.21           | -57.38%    | reduction in loss compare to previous year                    |
| 10      | Return on capital employed      | Earning before interest and taxes       | Capital Employed (3)         | -15.59%         | -25.64%         | -39.19%    | reduction in loss compare to previous year                    |
| 11      | Return on investment            | Return                                  | Investment                   | Not applicable  |                 |            |   |

(1) Net Profit after taxes+ Non-cash operating expenses + Interest+other adjustments like loss on sale of Fixed assets etc

(2) Interest payments + Principal Repayments

(3) Tangible Net Worth + Total Debt (long term and short term) + Deferred Tax Liability

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2024**

- 16) Reconciliation of quarterly returns submitted to banks where borrowings have been availed based on security of current assets.

| Quarter                | Bank          | Particulars of Security | Amount as per unaudited books of account | Amount as reported in the quarterly return statement | Amount of Difference | Reason for material differences |
|------------------------|---------------|-------------------------|--|--|----------------------|---------------------------------|
| June-2023              | Bank of India | Trade Payable           | 874.37                                   | 526.87   | 347.50               | Note 1                          |
| Sept-2023              | Bank of India | Trade Payable           | 964.31                                   | 602.68   | 361.62               | Note 1                          |
| Dec-2023               | Bank of India | Trade Payable           | 993.71                                   | 253.85   | 739.86               | Note 1                          |
| March- 24<br>(Audited) | Bank of India | Trade Payable           | 491.99                                   | -  | 491.99               | Note 1                          |

Note 1: Trade payables, only to the extent in excess of the accepted level in financial projections, have been deducted from the drawing power available in the monthly stock statements submitted to the bank.

See accompanying notes to the financial statements  
In terms of our report attached

For, Manghani & Co.  
Chartered Accountants  
Firm Registration No. 022372C

Dinesh Manghani  
Proprietor  
Membership no. 535603

Place: Ahmedabad  
Date: 14<sup>th</sup> May, 2024

For and on behalf of the Board of  
Minaxi Textiles Limited  
CIN: L17119GJ1995PLCO25007

K.S. Patel  
Chairperson  
DIN: 00372855

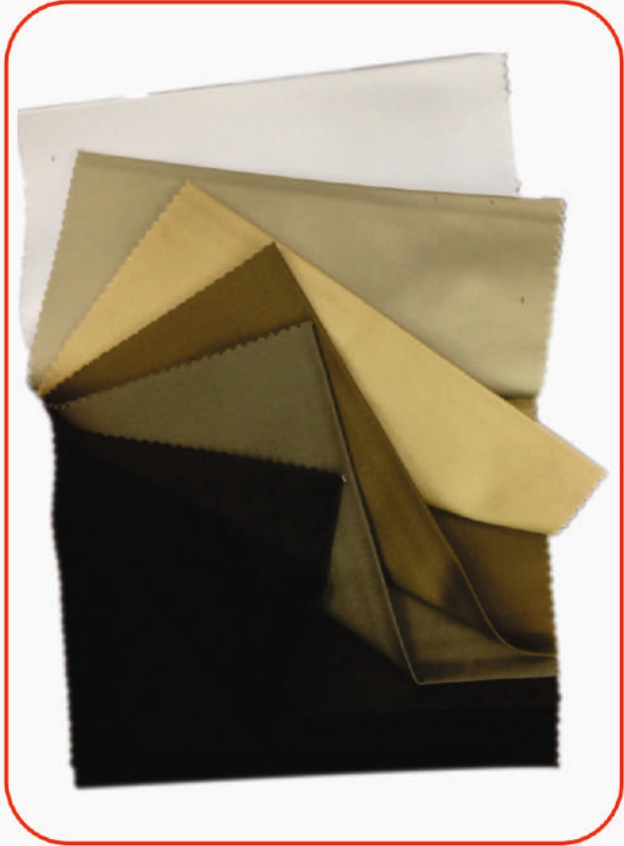
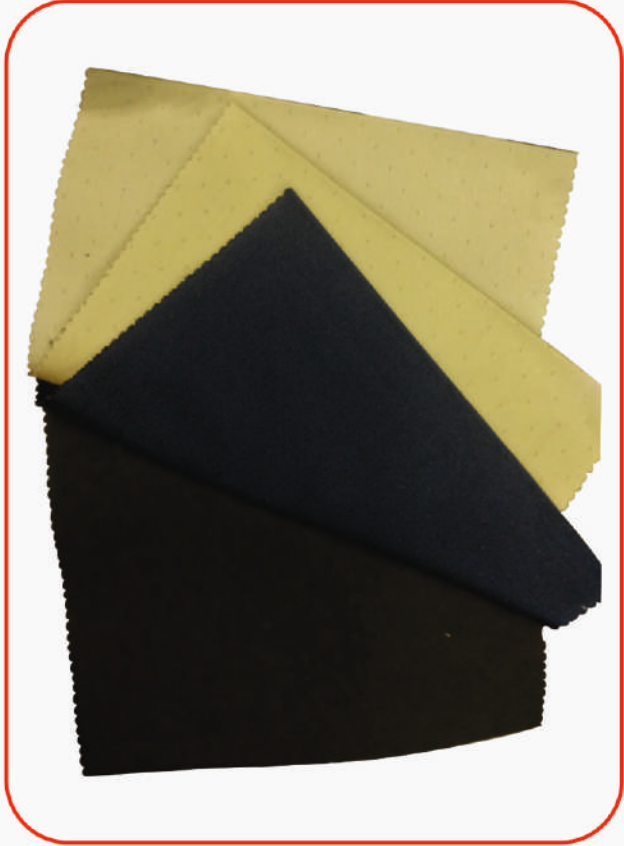
D.P.Patel  
Managing Director  
DIN: 02268757

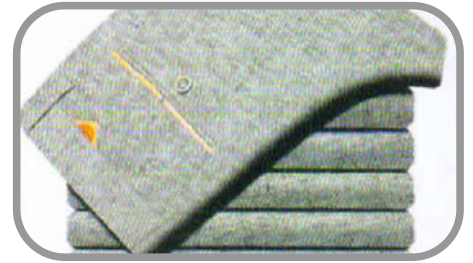
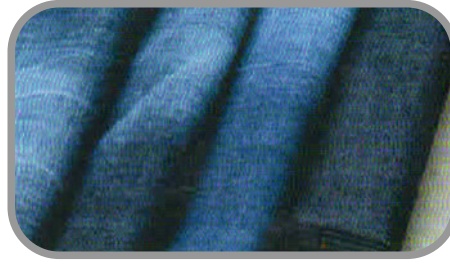
Parind Patel  
Chief Financial Officer

Priyanka Patel  
Company Secretary

Place: Chhatral  
Date: 14<sup>th</sup> May, 2024

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**MINAXI TEXTILES LIMITED**

Plot No. 3311, GIDC, Phase IV, Chhatral,  
Taluka-Kalol, Dist. Gandhinagar (N.G)-382729, Gujarat