

**Dated: 16.08.2024**

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

**Sub: Submission of Annual Report for the Financial Year 2023-2024 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref.: Shanti Spintex Limited, Scrip Code: 544059**

**Dear Sir / Madam,**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Shanti Spintex Limited for the financial year 2023-2024 along with the Notice of the 14<sup>th</sup> Annual General Meeting scheduled to be held on 9<sup>th</sup> September, 2024 at 2:30 P.M through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”).

In compliance with the relevant Circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the Annual General Meeting and the Annual Report of the Company for FY 2023-24 has been sent to all the shareholders of the Company whose e-mail addresses are registered with the Company or Depository Participant(s).

The Annual Report is also available on the website of the Company at [www.shantispintex.com](http://www.shantispintex.com)

Kindly take the same on record.

Thanking you,  
Yours faithfully,  
**For Shanti Spintex Limited**  
*(Formerly known as Shanti Spintex Private Limited)*

**MOHINI**  
**SINGHAL**

Digitally signed by  
MOHINI SINGHAL  
Date: 2024.08.16  
12:21:44 +05'30'

**Mohini Singhal**  
**(Company Secretary & Compliance Officer)**  
**Membership No. A47724**  
**Place: Ahmedabad**

# 2023-24

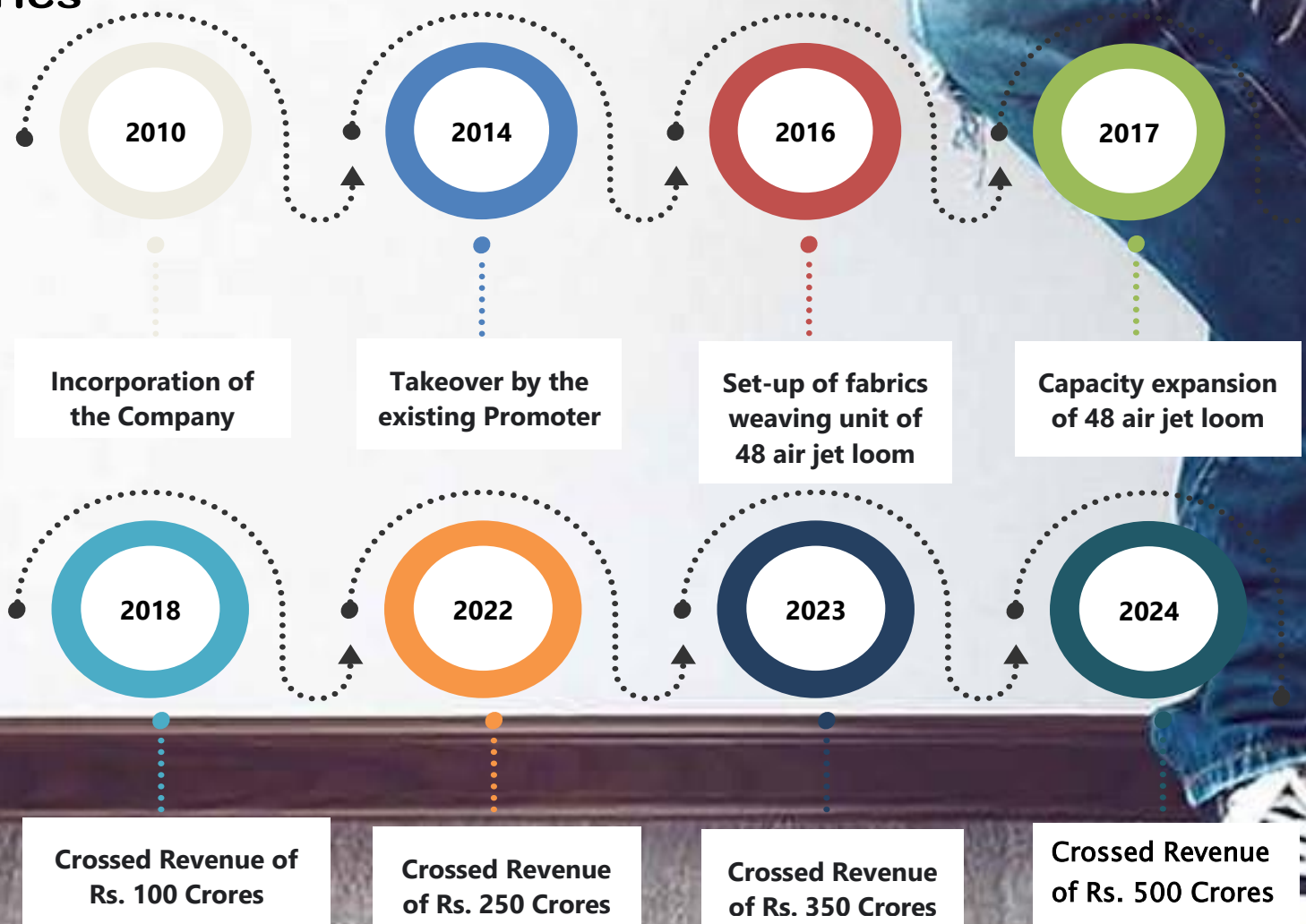
# Annual Report

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## COMPANY HISTORY

Embarking on its commercial production journey in 2016, Shanti Spintex Limited has emerged as a formidable force in the denim manufacturing industry. With a heritage steeped in expertise and an unwavering dedication to catering to fashion-conscious industries, our legacy spans over a decade since its inception in 2010. Shanti Spintex Limited stands as a trailblazer, constantly pushing the boundaries of excellence in crafting denim fabrics



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# About Company

Shanti Spintex Limited is a premier manufacturer of high-quality denim fabric, renowned for its commitment to innovation, sustainability, and excellence. Established with a vision to revolutionize the textile industry, Shanti Spintex has grown into a trusted name, delivering premium products to customers.



## Registered Office:

Sub Plot 1, Unit 1,  
Survey No. 297, Dholi -  
Integrated Spinning  
Park Limited, Dholi,  
Dholka, Ahmedabad,  
Gujarat – 382 240



## Corporate Office:

A-1601 Navratna  
Corporate Park,  
Bopal Ambli  
Road,  
Ahmedabad



## Plant Address:

Sub Plot 1, Unit 1,  
Survey No. 297, Dholi -  
Integrated Spinning  
Park Limited, Dholi,  
Dholka, Ahmedabad,  
Gujarat – 382 240

## CONTACT DETAILS:



+91-9825801039



[www.shantispintex.com](http://www.shantispintex.com)



[info@shantispintex.com](mailto:info@shantispintex.com)



# CORPORATE INFORMATION

## Auditors of the Company

(as on 31.03.2024)



01

### **Statutory Auditor**

Anil Shah & Co.

(Chartered Accountant)

02

### **Internal Auditor**

Rajat Bansal & Associates

(Chartered Accountant)

03

### **Cost Auditor**

Mayur Chhaganbhai Undhad

& Co. (Cost Accountant)

04

### **Secretarial Auditor**

HDS & Associates

(Company Secretaries)

## Registrar and Share Transfer Agent (RTA)

### **KFin Technologies Limited**

Address: Selenium Tower B, Plot No.31-32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad

Telephone: +91 40 6716 2222

Facsimile: +91 40 6716 1563

Website: [www.kfintech.com](http://www.kfintech.com)



# CORPORATE INFORMATION

## Board of Directors

**Mr. Bharatbhushan O. Agarwal**  
DIN: 00302785  
Chairman, WholeTime Director

**Mr. Rikin B. Agarwal**  
DIN: 02435645  
Managing Director

**Mr. Bhavik Rameshbhai Talati**  
DIN:10263736  
Non- Executive Director

**Miss. Kruti Vyas**  
DIN: 10299486  
Non-Executive Independent Director

**Mrs. Sejal R. Agrawal**  
DIN: 09376887  
Non-Executive Independent Director  
(ceased w.e.f. 14.06.2024)

**Mrs. Monika G. Gupta**  
DIN: 07224521  
Non-Executive Independent Director  
(Additional)  
(Appointed w.e.f. 22.06.2024)

## Chief Financial Officer

**Mr. Bharatbhushan O. Agarwal**

## Company Secretary & Compliance Officer

**CS Mohini Singhal**

## Listed At

**BSE SME Platform**  
(BSE Scrip Code:544059)

## ISIN

**INE0QZQ01019**

## Banker

**State Bank of India**

## Audit Committee

**Mrs. Sejal R. Agrawal**  
Chairperson  
(upto 14.06.2024)

**Mrs. Monika G. Gupta**  
Chairperson  
(w.e.f. 22.06.2024)

**Miss. Kruti Vyas**  
Member

**Mr. Bharatbhushan O. Agarwal**  
Member

## Stakeholder Grievance & Relationship Committee

**Miss. Kruti Vyas**  
Chairperson

**Mrs. Sejal R. Agrawal**  
Member  
(upto 14.06.2024)

**Mrs. Monika G. Gupta**  
Member  
(w.e.f. 22.06.2024)

**Mr. Bhavik R. Talati**  
Member

## Nomination & Remuneration Committee

**Miss. Kruti Vyas**  
Chairperson

**Mrs. Sejal R. Agrawal**  
Member  
(upto 14.06.2024)

**Mrs. Monika G. Gupta**  
Member  
(w.e.f. 22.06.2024)

**Mr. Bhavik R. Talati**  
Member

# ESTABLISHED MANUFACTURING CAPABILITY

## Major Plant & Machinery

96 airjet  
loom  
machines

Centrifugal  
air  
compressor

Air  
compressors

Knotting  
machine

Inspection &  
mending  
machines

Hydro  
extractor

Tumble  
dryers

Lab  
washer

Lab  
fastener

📍 Survey No. 297, Village Dholi,  
Taluka Dholka, District Ahmedabad, Gujarat.

## Manufacturing Infrastructure

The company's production facility boasts a robust infrastructure that facilitates seamless manufacturing. Encompassing a vast area of 46,757 sq. meters, we have the capacity to meet diverse demands efficiently. With our state-of-the-art manufacturing infrastructure and commitment to sustainability, we ensure that every fabric we produce stands as a testament to endurance, excellence, and responsible practices.

## Japanese Technology

Your Company's production facility is equipped with 96 Air Jet Looms from the reputed manufacturer Tsudakoma. These Japanese-made machines operate at very high RPM, showcasing their versatility with specialized features like 16 shafts, 230 Cms. width, Staubli Dobby & Cam Motion, 4-color weft insertion, and double pick insertion. Designed to craft high-fashion denim fabrics, our looms embody excellence and precision in every weave.





**+150**

Product SKU

**+500 Cr**

Revenue

**19.2 Mn**

Mtrs Installed  
Capacity

**46k sq. mtrs.**

Mfg. Area

**96**

Airjet Looms

**+80**

Employee strength



Raw Material (Cotton Yarn)



Yarn Warping



Yarn Dyeing



Denim Weaving On Air-Jet Looms



Denim Fabric Finishing



Denim Fabric Rolls



# DRIVING SUSTAINABILITY

## 2022

Commissioned a wind energy power plant of 2 MW capacity in Amreli, Gujarat

## 2023

Installed 852 kw rooftop solar plant at the existing manufacturing unit



Our initiatives focus on reducing environmental impact through energy conservation, waste reduction, and the use of renewable resources. These efforts reflect our commitment to a greener and more sustainable future.

In the Fiscal Year 2024-25, We are planning to expand a 3 MW Ground Mounted Solar Power Plant, driving our Plant to achieve 90-95% Reliance on Renewable Energy Sources.

# LEADERSHIP



## **Bharatbhushan O. Agarwal**

He is the Chairman, Whole Time Director & CFO of our Company. He has been on the Board since 2014. He is a visionary entrepreneur and has played a pivotal role in expanding business operations of our Company. He has a work experience of over 44 years in the textile industry and has completed his Higher Secondary + 1 education from Marwari Vidhyalaya High School, Mumbai in year 1978. He currently looks after the overall administration and finance operations of the Company. Under his guidance, our Company has witnessed continuous growth.

## **Rikin B. Agarwal**

He is the Managing Director of our Company. He has been on the Board since 2014. He has completed his Bachelor of Commerce in 2011 from H. L. Institute of Commerce, Ahmedabad, Gujarat. He has an experience of around 10 years in the textile industry. He is currently looking after the production and marketing function of our Company.



**Bharatbhushan O. Agarwal**  
Chairman/Whole-Time Director/CFO

**Dear Shareholders,**

I am pleased to present the Annual Report for Shanti Spintex Limited, reflecting on a year of remarkable achievements and setting the stage for a promising future.

At Shanti Spintex, we continue to adapt and thrive in a rapidly changing industry landscape. Our commitment to excellence, innovation, and sustainability remains the cornerstone of our success. As one of the leading denim fabric manufacturers, we take pride in our ability to deliver high-quality products that meet the evolving demands of our customers.

Over the past year, we have made significant strides in enhancing our manufacturing capabilities. Our strategic investments in state-of-the-art technology and automation have not only increased our production efficiency but also improved the quality of our denim fabrics. By leveraging advanced research and development, we have introduced innovative solutions that streamline our processes and elevate our product offerings.

# CHAIRMAN'S SPEECH

Our dedication to sustainability is unwavering. We have implemented comprehensive measures to reduce our environmental impact, focusing on waste reduction, energy conservation, and the use of renewable resources. These efforts underscore our commitment to responsible manufacturing and have earned us recognition from industry peers and stakeholders alike.

The past year has been marked by notable achievements and accolades. Our financial performance has been robust, reflecting the effectiveness of our strategic initiatives and the relentless efforts of our dedicated team. We are continuously looking forward for new avenues for growth and expansion and positioning us for continued success.

Our commitment to corporate governance is a key pillar of our operations. We uphold the highest standards of transparency, accountability, and ethical decision-making, ensuring that we maintain the trust and confidence of our stakeholders. Our governance framework is designed to drive long-term value creation while adhering to best practices and principles.

As we look ahead, we remain focused on pursuing strategic alliances and adapting to evolving market conditions. Our vision for the future is centered on sustainable growth, innovation, and operational excellence. We are confident that our strategic direction will enable us to navigate challenges and seize new opportunities, driving Shanti Spintex to new heights.

In conclusion, I would like to extend my deepest gratitude to our shareholders, employees, partners, and customers for their unwavering support and trust. Together, we have built a strong foundation, and I am confident that we will continue to achieve remarkable milestones in the years to come.

*Thank you for your continued faith in Shanti Spintex Limited.*



# Managing Director's *message*

**Rikin B. Agarwal**  
**Managing Director**



**Dear Shareholders,**

I am honored to present the Annual Report for Shanti Spintex Limited, highlighting a year of significant achievements and growth. As Managing Director, I am proud of our team's dedication and the progress we have made.

At Shanti Spintex, our commitment to excellence and innovation drives us to deliver superior denim fabrics. Over the past year, we have enhanced our manufacturing processes and invested in cutting-edge technology to ensure the highest quality standards. Our focus on research and development has enabled us to introduce innovative products that meet the evolving needs of our customers.

Sustainability remains a core value. We have implemented key initiatives to reduce waste, conserve energy, and promote the use of renewable resources, reinforcing our commitment to responsible manufacturing.

Sustainability, and operational excellence. I am confident that our strategic vision will enable us to navigate market challenges and seize new opportunities for growth.

We are delighted to share that Shanti Spintex Limited has achieved remarkable revenue and profit growth in fiscal year 2024, surpassing all previous records. Looking ahead, we remain committed to pursuing growth opportunities and enhancing shareholders value

I extend my heartfelt gratitude to our shareholders for their continued trust and support and to our employees for their dedication and hard work. Together, we will achieve even greater success in the years to come.

*Thank you for your unwavering faith in Shanti Spintex Limited.*

# MEET OUR TEAM



**Bhavik Rameshbhai Talati**  
**Non-Executive Director**

He has an experience of around 24 years in the textile industry. He is a Diploma holder in Textile Manufacturing Technology.



**Kruti Vyas**  
**Independent Director**

She has a work experience of around 7 years in the secretarial field. She is a qualified member of Institute of Company Secretaries of India.



**\*Monika G. Gupta**  
**Independent Director**

A professional with multi-dimensional experience in the field of Corporate Compliance, Reporting and governance, Business Valuation and structuring. She boasts a robust educational background with multiple advanced degrees & qualifications like CS, RV, AIII, ID, SIA, underscoring a deep commitment to their field. She possesses a wealth of experience spanning legal, financial, secretarial and compliance domains, demonstrating a versatile skill set and a proven ability to navigate complex regulatory landscapes. Her role on various Boards as Director and multifaceted expertise allows her to deliver comprehensive solutions, drive strategic initiatives, and ensure adherence to stringent standards across diverse industries.

*\*Note: w.e.f. 22.06.2024*



# VISION & MISSION



## Vision

"At Shanti Spintex Limited, our vision is to be a leader in the textile industry, recognized for our commitment to innovation, sustainability, and exceptional quality. We aim to consistently exceed customer expectations by leveraging cutting-edge technology and fostering a culture of integrity, excellence, and social responsibility. Through continuous improvement and dedication to our stakeholders, we aspire to contribute positively to the community and achieve sustainable growth in the textile sector."



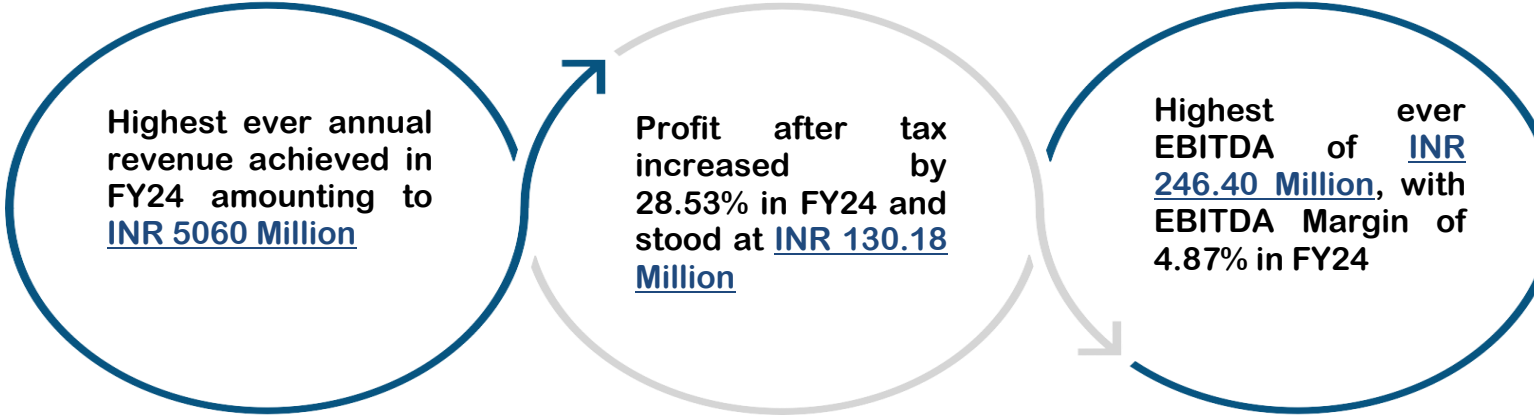
## Mission

"Our mission at Shanti Spintex Limited is to produce high-quality textiles that exceed industry standards while prioritizing sustainability and innovation. We are dedicated to creating value for our customers by delivering reliable products and exceptional service. Through continuous research and development, we strive to enhance efficiency and maintain cost-effectiveness. We are committed to fostering a supportive workplace environment for our employees and promoting ethical practices across all aspects of our operations. Ultimately, we aim to contribute positively to the textile industry and the communities we serve, ensuring long-term growth and profitability for our stakeholders."





# KEY FINANCIAL HIGHLIGHTS:



REVENUE FROM OPERATIONS



CAGR (4 YRS) – 64.9%

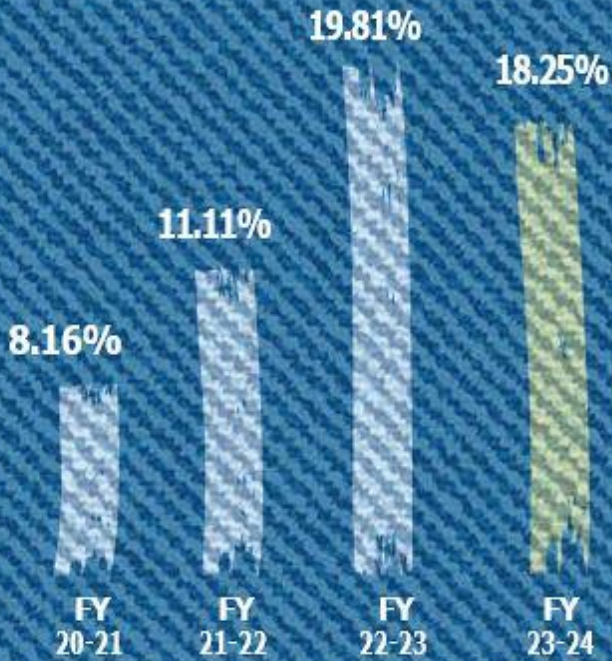
EBITDA



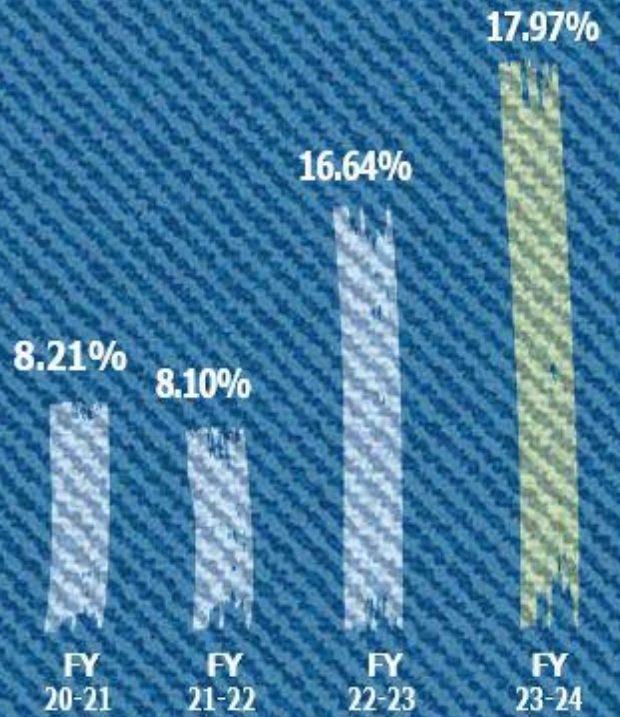
CAGR (4 YRS) – 29.66%

# GROWTH TRAJECTORY

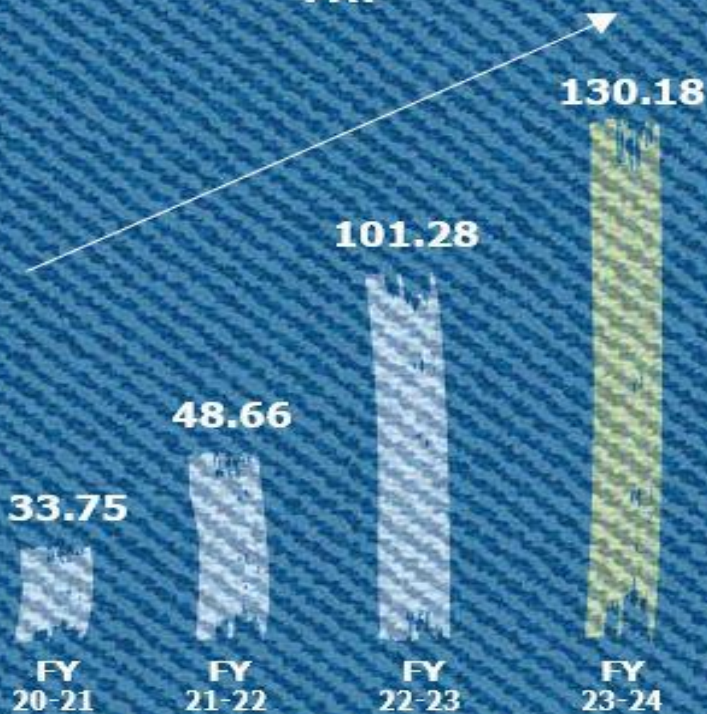
ROE(%)



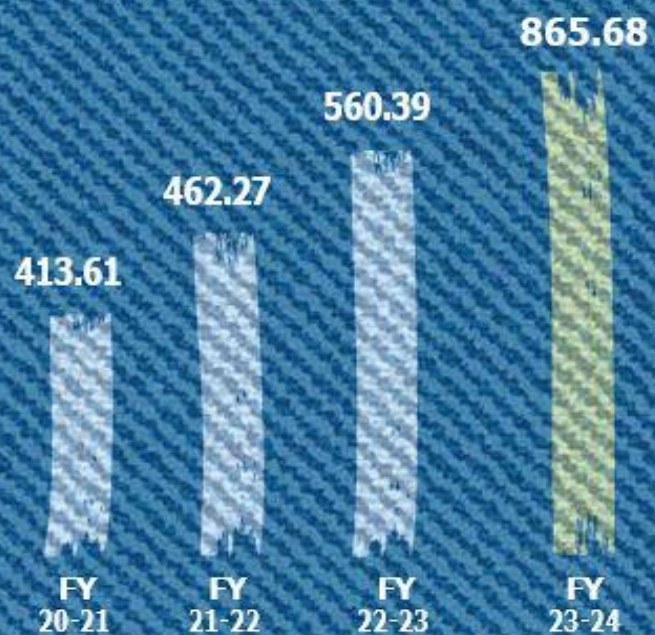
ROCE (%)



PAT



NET WORTH





# COMPANY OVERVIEW



- ✚ Manufacturers of denim fabrics having product range of 6 types of denim fabrics in 6 diverse shades.
- ✚ 8660 sq.mtr manufacturing facility having 96 airjet looms & installed weaving capacity of 1,92,72,000 mtrs at Dholi integrated spinning park Limited, Dholka, Ahmedabad.
- ✚ 2 MW Wind farm & 852 kw rooftop solar plant commissioned to reduce powers costs & contribute towards environmental sustainability.
- ✚ Customer base of manufacturers, wholesalers and traders across Gujarat State
- ✚ Wind Farm at Amreli, Gujarat adjusted against Electricity bill by UGVCL.
- ✚ 64.9 % CAGR (4 Years) growth in Revenue from FY 2020-2021 to 2023-2024 with PAT growing at a CAGR (4 years) of 56.82%
- ✚ Rs 5058.31 million Revenue with Rs 246.40 million EBITDA and Rs 130.18 million PAT in FY 2023-2024
- ✚ Company has RoE of 18.25% & RoCE of 17.97% with a Net worth of Rs 865.68 million in FY 2023-2024
- ✚ Net debt reduced by 46.83% Y-o-Y in FY 2023-2024
- ✚ Consistent performance in FY 2023-2024 as revenue grow by 36.59% Y-o-Y, EBITDA by 13.82% Y-o-Y and PBT by 26.58% Y-o-Y.

# NOTICE

**NOTICE** is hereby given that the **14th Annual General Meeting** of the Members of the Company Shanti Spintex Limited will be held on Monday, 9th September, 2024 at 02:30 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

## ORDINARY BUSINESS

1. To consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2024, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bharatbhushan O. Agarwal (DIN: 00302785), who retires by rotation and being eligible, offers himself for re-appointment as a Whole Time Director.

## SPECIAL BUSINESS

3. Regularization of Additional Independent Director, Mrs. Monika G. Gupta (DIN: 07224521) by appointing her as an Independent Director of the Company:

To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

"RESOLVED THAT, pursuant to provision of Section 149,150,152 read with Schedule IV of the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013, if any and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and upon the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company; Mrs. Monika G. Gupta (DIN: 07224521) who was appointed as an Additional Director of the Company in Independent Category w.e.f 22<sup>nd</sup> June, 2024 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and from whom the Company has received a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment , be and hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five (5) consecutive years for the period from June 22, 2024 to June 21, 2029 (both dates inclusive)."

"RESOLVED FURTHER THAT Mr. Rikin B. Agarwal Managing Director of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents and returns, e-forms for the purpose of giving effect to the aforesaid resolution."

By Order of the Board of Directors  
For Shanti Spintex Limited

SD/-

BHARATBHUSAN O AGARWAL  
Whole Time Director & CFO  
(DIN 00302785)

SD/-

RIKIN B AGARWAL  
Managing Director  
(DIN02435645)

Date: 12.08.2024  
Place: Ahmedabad

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), setting out material facts concerning the business under Item No. 3 of the accompanying Notice, is annexed hereto and forms part of this Notice. The Board of Directors of the Company at its meeting held on 12th August 2024 considered that the special business under Item No. 3 being considered unavoidable, be transacted at the 14<sup>th</sup> AGM of the Company.
2. Ministry of Corporate Affairs (MCA) vide its General Circular No. 09/2023 dated 25 September 2023 read with the circulars issued earlier on the subject (collectively referred to as ‘MCA Circulars’) and SEBI vide its Circular No. SEBI/HO/DDHS/P/CIR/2023/0164 dated 06 October 2023 read with the circulars issued earlier on the subject (collectively referred to as “SEBI Circulars”), have permitted holding Annual General Meeting (“AGM”) through VC/OAVM, without physical presence of the Members at a common venue.

In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Act and the SEBI Listing Regulations, the 14th AGM is being conducted through VC/OAVM herein after called as “e-AGM”. In view of the same, the registered office of the Company shall be deemed to be the venue of the AGM.

The Company has appointed KFin Technologies Limited, Registrars and Transfer Agents, to provide Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility for the 14<sup>th</sup> Annual General Meeting and the attendant enablers for conducting of the e-AGM.

The Notice of AGM along with the Annual Report for FY24 is being sent by electronic mode to those members whose e-mail address is registered with the Company/Depositories, unless a member has requested a physical copy of the same. Members may note that the Notice of AGM and Annual Report for FY24 will also be available on the Company’s website [www.shantispintex.com](http://www.shantispintex.com), website of the Stock Exchanges i.e. BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and on the website of KFin Technologies Limited at the website address <https://evoting.kfintech.com>.

3. Since the AGM is being held through VC/OAVM, a route map to the venue is not required and therefore, the same is not annexed to this Notice.
4. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013.
5. Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Appointment of Proxy and Attendance Slip: Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014 provides for appointment of proxy to attend and vote at a general meeting on behalf of the member who is not able to physically attend the AGM. Since the 14th AGM is being held through VC/OAVM and in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxy would not be available to the Members for attending the 14th AGM and therefore proxy form and attendance slip are not annexed to this Notice.
7. Corporate shareholders/institutional shareholders intending to send their authorized representative(s) to attend and vote at the 14th AGM are requested to send from their registered e-mail address, scan copy of the relevant Board Resolution/ Authority Letter, etc. authorizing their representative(s) to vote, to the Scrutinizer on her e-mail ID at [hetidshah@gmail.com](mailto:hetidshah@gmail.com) with a copy marked to [cs@shantispintex.com](mailto:cs@shantispintex.com)
8. Members who have not yet registered their e-mail addresses, bank account details and mobile number are requested to register the same with their Depository Participants (“DP”) since the shares are held by them in electronic Form.

9. The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable provisions of the Companies Act, 2013 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/ re-appointment at this AGM are also annexed to this Notice.
10. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, there are no unclaimed dividend amounts pending for transfer.
11. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd August 2024 to 29th August 2024 (both days inclusive).
12. Investor Grievance Portal maintained by Registrar and Transfer Agent (RTA).

Members are hereby notified that our RTA, KFin Technologies Limited, based on the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 ) dated June 08, 2023, have created an online application which can be accessed at <https://ris.kfintech.com/default.aspx> > Investor Services > Investor Support.

Members are required to register / signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, Interest, Redemptions, e-Meeting and e-Voting Details.

Quick link to access the signup page: <https://kprism.kfintech.com/signup>

#### **INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE E-AGM THROUGH VIDEO CONFERENCE / OTHER AUDIO-VISUAL MODE:**

- i. Attending the e-AGM: Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the ‘Event’ for Company’s AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system.
- ii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- iii. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- iv. 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.
- v. Facility of joining the AGM through VC/OAVM shall be open 15 minutes before the time scheduled for the AGM.
- vi. Those Members who register themselves as speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
- vii. Submission of Questions/queries prior to e-AGM:

Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company’s investor email-id i.e., [info@shantispintex.com](mailto:info@shantispintex.com) at least 2 days before the date of the e-AGM, so as to enable the Management to keep the information ready. Please note that, member’s questions will be answered only if they continue to hold the shares as of cut-off date.

Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.kfintech.com/> and click on the tab “Post Your Queries Here” to post their queries/ views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

viii. Speaker Registration before e-AGM: Shareholders who wish to register as speakers at the AGM are requested to visit <https://emeetings.kfintech.com> register themselves between 3rd September 2024 (09.00 Hours IST) and 5th September 2024 (17.00 Hours IST).

ix. Facility of joining the AGM through VC/OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination, Remuneration and compensation Committee and Auditors are not restricted on first come first serve basis.

x. Members who need technical assistance before or during the AGM, can contact Kfintech at <https://evoting.kfintech.com/>.

xi. Corporate members intending to send their authorised representatives to attend the Annual General Meeting through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company.

#### **INSTRUCTIONS FOR E-VOTING:**

##### **Procedure for remote e-voting:**

i. In compliance with the provisions of Section 108 of the Companies Act, 2013 (“the Act”), read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09 December 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by Kfintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. However, in pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated 09 December 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period commences from 09.00 Hours (IST) on 3<sup>rd</sup> September 2024 to 17.00 Hours (IST) on 5th September 2024

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on 29<sup>th</sup> August 2024, the cut-off date.

vi. Any person holding shares in demat/physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com).

However, if he / she is already registered with Kfintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

**Details on Step 1 are mentioned below:**

Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <p><b>1. User already registered for IDeAS facility:</b><br/>           I. Visit URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a><br/>           II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.<br/>           III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”<br/>           IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p><b>2. User not registered for IDeAS e-Services</b><br/>           I. To register click on link: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a><br/>           II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a><br/>           III. Proceed with completing the required fields.<br/>           IV. Follow steps given in point no.1</p> <p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b><br/>           I. Open URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a><br/>           II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.<br/>           III. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.<br/>           IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e., KFinTech.<br/>           V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.</p> |
| Individual Shareholders holding securities in demat mode with CDSL | <p><b>1. Existing user who have opted for Easi / Easiest</b><br/>           I. Visit URL: <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/Home/Login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a><br/>           II. Click on New System Myeasi<br/>           III. Login with your registered user id and password.<br/>           IV. The user will see the e-Voting Menu. The Menu will have links of</p>   |



|   |  |
|---|--|
|   | <p>ESP i.e., KFintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p><b>2. User not registered for Easi/Easiest</b></p> <p>I. Option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: www.cdslindia.com</p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e- Voting is in progress.</p> |
| Individual Shareholder login through their demat accounts / Website of Depository Participant | <p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</p> <p>II. Once logged-in, 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.</p> <p>III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</p>   |

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000                  |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

**Details on Step 2 are mentioned below:**

Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVENT” i.e., ‘Shanti Spintex Limited -Annual General Meeting’ and click on “Submit”
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/ AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [hetidshah@gmail.com](mailto:hetidshah@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) . The scanned image of the above-mentioned documents should be in the naming format “Shanti Spintex Limited”

**Details on Step 3 are mentioned below:**

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVENT of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the

members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members 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.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number and email id.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only a single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for at least 1000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

#### **OTHER INSTRUCTIONS:**

**I. Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com/> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be open from 3rd September 2024, (09.00 Hours IST) to 5th September 2024, (17.00 Hours IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

**II. Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com/>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be open 3rd September 2024, (09.00 Hours IST) to 5th September 2024, (17.00 Hours IST).

**III.** In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact [evoting@kfintech.com](mailto:evoting@kfintech.com) / [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or call Kfintech's toll free No. 1-800-309-4001 for any further clarifications.

**IV.** The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 29<sup>th</sup> August, 2024 (End of Day), being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

**V.** In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click “Forgot Password” and enter Folio No. or DP ID, Client ID and PAN to generate a password.

Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com/](mailto:evoting@kfintech.com/) [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

VI. The results of the electronic voting shall be submitted to the Stock Exchanges after the AGM. The results along with the Scrutinizer’s Report, shall also be placed on the website of the Company.

#### **GENERAL INFORMATION:**

1. The Company’s equity shares are Listed at BSE Limited (SME Platform), Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai- 400001, Maharashtra, India and the Company has paid the Annual Listing Fees to the said Stock Exchange for the year 2024-2025.

2. Members are requested to send all communication relating to shares to the Company’s Registrar and Share Transfer Agent at KFIN Technologies Limited (Unit: Shanti Spintex Limited), Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Telangana State, India.

3. Register of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013 and the rules made thereunder and Register of Contracts maintained under Section 189 of Companies Act, 2013 and the rules made thereunder are available for inspection at the registered office of the Company.

4. As required under Listing Regulations and Secretarial Standard - 2 on General Meetings details in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting, is separately annexed hereto. Directors seeking appointment/ re- appointment have furnished requisite declarations under Section 164(2) and other applicable provisions of the Companies Act, 2013 including rules framed thereunder.

#### **GENERAL INSTRUCTIONS:**

(i) Members holding shares either in demat or physical mode who are in receipt of Notice, may cast their votes through e-voting.

(ii) Members opting for e-voting, for which the USER ID and initial password are provided in a separate sheet. Please follow steps under heading ‘INSTRUCTIONS FOR E-VOTING’ above to vote through e-voting platform.

(iii) The e-voting period commences from 3rd September 2024, (09.00 Hours IST) to 5th September 2024, (17.00 Hours IST). to 5.00 P.M. (IST). During this period, the members of the Company, holding shares in demat, as on the cut-off date of 29<sup>th</sup> August, 2024 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(iv) The Company has appointed M/s. HDS & Associates, Company Secretaries represented by Mrs. Heti Rehen Gandhi, Practising Company Secretary (Membership No. F11884 and CP No. 17840) as the Scrutiniser to conduct the voting process (e-voting and poll) in a fair and transparent manner.

(v) The Scrutinizer shall, within a period not exceeding 2 working days from the conclusion of the Annual General Meeting unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report containing the details with respect to votes cast in favour, against, neutral/ abstained, shall submit the Report to the Chairman of the Company.

(vi) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 14th Annual General Meeting of the Company scheduled to be held on Friday, 6<sup>th</sup> September, 2024, the results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.shantispintex.com/> and on the website of KFintech, <https://evoting.kfintech.com/> within 2 working days of conclusion of the Annual General Meeting.

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013:

The following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice.

Regularization of Additional Independent Director, Mrs. Monika G. Gupta (DIN: 07224521) by appointing her as an Independent Director of the Company:

Mrs. Monika G. Gupta (DIN: 07224521) was appointed as an Additional Director of the company on 22<sup>nd</sup> June, 2024 in terms of Section 161 (1) of the Companies Act, 2013 in the category of 'Non-Executive Independent' in terms of the Companies Act, 2013. Mrs. Monika G. Gupta, an Additional Director holds the office up to the date of the ensuing Annual General Meeting.

Mrs. Monika G. Gupta is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as Director (in the category of Independent Director).

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Monika G. Gupta as an Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mrs. Monika G. Gupta as 'Non-executive Independent Director' for a term up to 5 (five) consecutive years commencing from June 22, 2024 to June 21, 2029 (both dates inclusive).

Accordingly, the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution as set out in the item no. 3 of the notice for appointment of Mrs. Monika G. Gupta.

Save and except Mrs. Monika G. Gupta, Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Date: 12.08.2024  
Place: Ahmedabad

SD/-  
BHARATBHUSAN O AGARWAL  
Whole Time Director & CFO  
(DIN 00302785)

By Order of the Board of Directors  
For Shanti Spintex Limited

SD/-  
RIKIN B AGARWAL  
Managing Director  
(DIN02435645)

## ANNEXURE TO NOTICE:

Details of directors seeking re-appointment at the ensuing annual general meeting:  
Pursuant to Secretarial Standard 2 issued by the Institute of Companies Secretaries of India

|  |   |  |
|--|---|--|
| Name of Director:  | Mr. Bharatbhushan O. Agarwal  | Mrs. Monika G. Gupta   |
| Category:  | Whole Time Director   | Independent Director   |
| DIN:   | 00302785  | 07224521   |
| Nationality  | Indian  | Indian   |
| Date of Birth:   | 15.11.1958  | 21.06.1988   |
| Age:   | 65  | 36   |
| Qualification:   | Higher Secondary  | Company Secretary  |
| Date of First Appointment on the Board   | 20.08.2014  | 22.06.2024   |
| Expertise in specific functional areas   | He has a work experience of over 44 years in the textile industry.  | She is a registered valuer-SFA (IBBI) and a practicing Company Secretary. She is currently the proprietor of Monika Chechani & Associates and partner in SAP & Associates. She has approximately 11 years of experience. |
| Terms and Conditions of Appointment/Re-appointment                                 | As per the resolution at item No. 2 of the notice convening this meeting, Mr. Bharatbhushan O. Agarwal is liable to retire by rotation at the meeting and eligible for re-appointment.  | As per the resolution at item No 3 of the notice convening this meeting, Mrs. Monika G. Gupta is proposed to be Appointed as an Independent Director   |
| Shareholding in the Company  | 3033800 Shares  | NIL  |
| Disclosure of Relationships between Directors inter-se                             | Father of our Managing Director Mr. Rikin B. Agarwal  | No Relationship with Director  |
| List of Directorship of other Board  | 1. Kautilya Traders Pvt.Ltd.<br>2. Vijay Subham Contrade Pvt Ltd<br>3. Jagson Color Science Limited<br>4. Jagson Textiles Limited<br>5. Sparsh Fabrics Private Limited<br>6. Rikin Fabrics Private Limited<br>7. Dulari Fabrics Private Limited | 1. Jagson Colorchem Limited<br>2. German Green Steel and Power Limited<br>3. JIGS Chemical Limited<br>4. Metroglobal Limited   |
| List of Membership / Chairmanship of Committees of other Board                     | NIL   | NIL  |
| Justification for choosing the appointees for appointment as Independent Directors | Not Applicable  | Her diverse expertise and experience will provide valuable insights, helping us to formulate and execute strategies that drive sustainable growth.   |

# DIRECTORS' REPORT

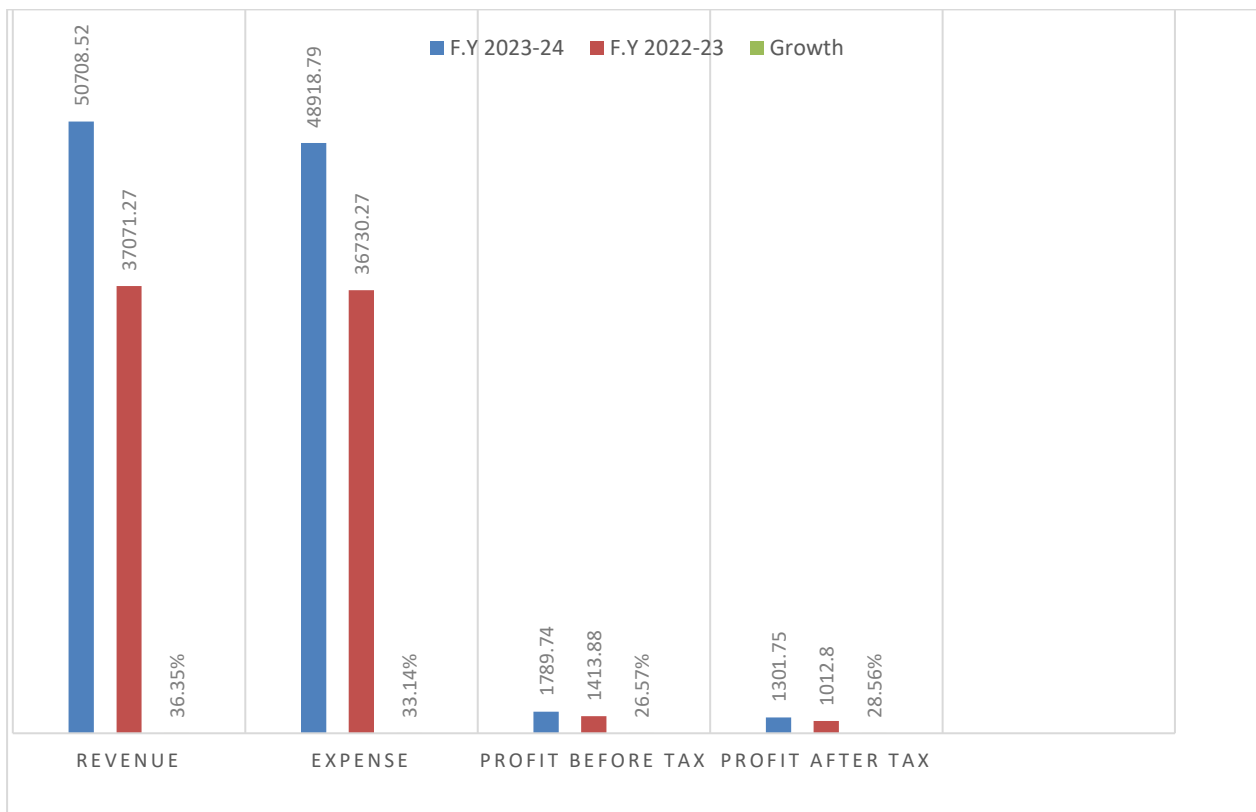
To,  
The Members,  
Shanti Spintex Limited

Your directors have pleasure in presenting the 14<sup>th</sup> Annual Report of Shanti Spintex Limited along with the Audited Financial Statements for the year ended March 31, 2024.

## FINANCIAL SUMMARY AND HIGHLIGHTS

The performance of the Company for the financial year ended March 31, 2024, summarized as follows:

| Particulars             | <i>(in INR Lakhs)</i> |                 |
|-------------------------|-----------------------|-----------------|
|                         | FY 2023-24            | FY 2022-23      |
| Revenue from Operations | 50583.06              | 37033.22        |
| Other Income            | 125.46                | 38.05           |
| <b>Total Income</b>     | <b>50708.52</b>       | <b>37071.27</b> |
| Total Expense           | 48918.79              | 36730.27        |
| Profit Before Tax       | 1789.74               | 1413.88         |
| Less: Tax Expense       | 487.99                | 401.08          |
| <b>Profit After Tax</b> | <b>1301.75</b>        | <b>1012.80</b>  |
| Earnings Per Share      | 8.71                  | 7.13            |



## KEY HIGHLIGHTS ON FINANCIAL PERFORMANCE

For the financial year 2023-24, Shanti Spintex Limited achieved a significant milestone by recording a revenue from operations of INR 50,583.06 Lakhs. This represents a substantial growth of approximately 36.65% compared to the previous financial year's revenue of INR 37,033.22 Lakhs. This impressive increase is attributed to enhanced utilization of production capacity, improved sales strategies, and expansion into new markets.

The Profit After Tax for the financial year ended March 31, 2024, stood at INR 1,301.75 Lakhs, showcasing an increase of approximately 28.56% over the previous year's profit of INR 1,012.80 Lakhs. This improvement is primarily due to efficient management of resources and cost optimization measures implemented during the year.

The Earnings Per Share (EPS) for the year 2023-24 is INR 8.71, as against INR 7.13 in the previous year, reflecting a growth of approximately 22.14%. The consistent increase in EPS highlights the company's commitment to enhancing shareholder value.

The company remains optimistic about the future, with plans to further enhance its production capabilities, explore new markets, and invest in technology to drive growth and profitability. The focus will remain on sustainable growth and maximizing shareholder value.

## BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

## TRANSFER TO RESERVES

During the financial year ended March 31, 2024, Shanti Spintex Limited has transferred an amount of INR 1,612.80 Lakhs to the Securities Premium Reserve. This amount represents the premium collected over and above the face value of shares issued during the Initial Public Offering (IPO). The Securities Premium Reserve will be utilized in accordance with the provisions of the Companies Act, 2013.

## DIVIDEND

The Board of Directors of the Company has decided not to declare any dividend for the financial year ended March 31, 2024. This decision has been taken to conserve resources for future growth and expansion plans of the Company. The retained earnings will be utilized to strengthen the financial position and support ongoing and future business initiatives.

## BUSINESS EXPANSION, MODERNIZATION & INNOVATION

Shanti Spintex Limited continues to expand its business operations, consistently crossing new milestones of growth and creating value-added products in the textile industry. The Company's unwavering commitment to expansion, innovation, and productivity, combined with modernization of business operations, forms the cornerstone of its success.



During the year under review, the Company has taken a significant step by bringing its **Initial Public Offering (IPO)** to the market. This milestone not only reflects the Company's growth trajectory but also strengthens its financial base for future expansion and innovation endeavors.

The Company remains committed to serving its customers and ensuring their needs are met, even in adverse market conditions. The Company's dedication to its core values of expansion, innovation, productivity, and modernization positions it as a leading player in the textile industry, poised for continued success and growth.

#### LISTING OF SHARES ON SME PLATFORM OF BSE LIMITED

During the financial year 2023-24, Shanti Spintex Limited successfully listed its shares on the SME Platform of BSE Limited on December 27, 2023. This significant milestone marks a new chapter in the Company's growth journey, providing it with enhanced visibility and access to a broader investor base.

The listing fee for the year 2024-2025 has been duly paid.

#### SHARE CAPITAL STRUCTURE

As on March 31, 2024, the Authorized Share Capital of the Company is INR 20,00,00,000.00/- (Rupees Twenty Crores Only) and Issued, Subscribed, and Paid-up Share Capital (Fully Subscribed) is INR 16,88,80,000.00/- (Rupees Sixteen Crores Eighty-Eight Lacs and Eighty Thousand Only)

#### Changes in Share Capital During the Year

**Bonus Issue:** On August 2, 2023, the Company issued 71,00,000 bonus shares in a 1:1 ratio. This bonus issue reflects the Company's strong financial performance and commitment to rewarding its shareholders.

**Initial Public Offering (IPO):** On December 22, 2023, the Company successfully completed its IPO, issuing 26,88,000 new shares. This IPO marks a significant milestone, enhancing the Company's capital base and providing access to a broader investor base through the listing on the SME Platform of BSE Limited.

#### Summary of Share Capital:

Authorized Capital: INR 20,00,00,000.00/-

Paid-up Capital Before Bonus Issue: INR 7,10,00,000.00/-

Paid-up Capital After Bonus Issue (1:1): INR 14,20,00,000.00/-

Paid-up Capital After IPO: INR 16,88,80,000.00/-

#### DETAILS OF THE ASSOCIATES/ JOINT VENTURE / SUBSIDIARIES COMAPANIES

During the financial year 2023-24, Shanti Spintex Limited did not have any associates, joint ventures, or subsidiary companies. The Company continues to focus on its core operations and strategic initiatives to drive growth and enhance shareholder value.

## PUBLIC DEPOSIT

Shanti Spintex Limited has not accepted any public deposits during the financial year 2023-24. Furthermore, there were no outstanding amounts against any public deposits at the end of the year.

## CORPORATE GOVERNANCE

In compliance with Regulations 17 to 22 and Regulation 34 of the Listing Regulations, a separate report on Corporate Governance, is annexed as "Annexure-A" to this report.

## MEETINGS OF THE BOARD

The Board met 15 (Fifteen) times during the financial year. Details of meetings are given in the Corporate Governance Report annexed herewith as Annexure-A and forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## SECRETARIAL STANDARDS

During the year under review, your company has complied with the applicable Secretarial Standards.

## MATERIAL CHANGES OR COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

There were no other material changes or commitments which affected the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

## CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of your Company's business during the year under review.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note to the financial statements.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director of the Company confirming that he/she met with the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## REPORTING OF FRAUD

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of fraud committed by the Company's officers or employees to the Audit Committee under Section 143(12) of the Act, as required for disclosure in this report.

## POLICIES

The updated policies adopted by the Company as per statutory and governance requirements are uploaded on website of the Company at [www.shantispintex.com](http://www.shantispintex.com)

## MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on December 22<sup>nd</sup>, 2023 inter alia, to discuss:

- Review of the performance of Non-independent Directors and the Board of Directors as a whole.
- Assess the quality, content and timeliness of flow of information between the management and
- To ensure the Board effectively and reasonably perform its duties.

All Independent Directors were present at the meeting.

## BOARD EVALUATION

As part of our commitment to excellence in corporate governance, Shanti Spintex Limited has implemented a comprehensive evaluation process for the Board of Directors, its committees, and individual directors. This process is conducted annually to ensure that the Board and its committees are functioning effectively and efficiently, in line with the company's strategic objectives and governance standards.

## EXTRACT OF ANNUAL RETURN

In pursuance to Section 92 and 134 (3) (a) of the Companies Act, 2013 ("the Act") read with relevant Rules thereunder The Annual Return of the Company for the Financial Year 2023-2024 is available on the website of the Company at: [www.shantispintex.com](http://www.shantispintex.com).

## SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by any regulator or court or tribunal impacting the going concern status and your Company's operations in future.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board at Shanti Spintex Limited adheres to statutory provisions. The Board consists of five members, including two independent directors.

None of the Directors of the Company are disqualified from being appointed as Directors under Section 164(2) of the Companies Act, 2013, and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

### Changes in the Board of Directors and KMPs:

The following changes occurred in the Board of Directors and Key Managerial Personnel (KMPs):

- a. The Board has appointed Mr. Bhavik Rameshbhai Talati as a non-executive director of the Company w.e.f. 31.07.2023.

- b. The Board has appointed Mrs. Mohini Singhal as Company Secretary and compliance officer of the Company w.e.f. 02.08.2023
- c. The Board has appointed Mr. Bharatbhushan O. Agarwal as the Chief financial officer of the Company w.e.f. 24.08.2023
- d. The Board has appointed Miss. Kruti Vyas as the Non-Executive Independent Director of the Company w.e.f. 31.08.2023
- e. The Board has appointed Mrs. Sejal R. Agrawal as the Non-Executive Independent Director of the Company w.e.f. 31.08.2023
- f. The Board re-designated Mr. Rikin B. Agarwal as the Managing Director of the Company w.e.f. 31.08.2023
- g. The Board re-designated Mr. Bharatbhushan O. Agarwal as the Chairman and Whole-Time Director of the Company w.e.f. 31.08.2023
- h. Pursuant to Section 152 of Companies Act, 2013 Mr. Bharatbhushan O. Agarwal shall retire by rotation at the ensuing Annual General Meeting being eligible offers himself for re-appointment for directorship of the company.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the Financial Year 2023-2024 is annexed as "[Annexure-B](#)" and forms an integral part of this Board Report.

#### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2024 as stipulated under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable as your Company is not falling in the list of top 1000 Companies as per the Market Capitalization as on March 31, 2024.

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

In accordance with Section 134(3)(m) of the Companies Act, 2013, and Rule 8 of the Companies (Accounts) Rules, 2014, details regarding conservation of energy, research and development, technology absorption, and foreign exchange earnings and outgo are provided in "[Annexure-C](#)" to the Directors' Report.

#### SAFETY, HEALTH, AND ENVIRONMENTAL RESPONSIBILITY

At Shanti Spintex, safety, occupational health, and environmental responsibility are central to our operations. We prioritize zero harm to employees and the community through continuous training and safety initiatives. Our operations comply with environmental regulations and focus on preserving natural resources.

We have obtained all necessary approvals from relevant government authorities, demonstrating our commitment to high safety and environmental standards.

## INSURANCE

All assets of the company including inventories, building, plant and machineries are adequately insured.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

1. That in the preparation of the annual financial statements for the financial year ended 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year as on 31st March, 2024 and of the profit and loss of the Company for that period;
3. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They had prepared the annual financial statements on a going concern basis;
5. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
6. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

Shanti Spintex is dedicated to maintaining a safe and harassment-free workplace. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, we have implemented a policy to prevent and address sexual harassment. This policy covers all employees, including permanent, contractual, temporary, and trainees. This policy is accessible on our website at [www.shantispintex.com](http://www.shantispintex.com).

No complaints of sexual harassment were received during the Financial Year 2023-24.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has a has a dedicated Policy on Corporate Social Responsibility (CSR), accessible on our website at [www.shantispintex.com](http://www.shantispintex.com). Details of our CSR Policy, along with activities undertaken during the year, are outlined in "[Annexure-D](#)" of this Board Report.

Additionally, specifics regarding the composition, number, and dates of CSR Committee meetings, including member attendance, are provided separately in the Corporate Governance Report (Annexure-A).

#### NOMINATION AND REMUNERATION POLICY

In compliance with the provisions of Section 178 of the Act, The Nomination and Remuneration Policy as approved by the Board of Directors has been uploaded on the website of the Company [www.shantispintex.com](http://www.shantispintex.com).

#### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company ensured all related party transactions were in compliance with Section 188 of the Companies Act and Regulation 23 of the Listing Regulations. During the year under review, all the transactions were conducted on an arm's length basis in the ordinary course of business.

The Audit Committee reviewed and approved the statements of related party transactions as required by law and Listing Regulations. The Company also submitted half-yearly disclosures of related party transactions to the Stock Exchanges in accordance with Regulation 23 of the Listing Regulations. "[Annexure-E](#)" in the Board Report provides details of related party contracts and arrangements in accordance with Section 134(3)(h) of the Act.

#### AUDITORS AND AUDITORS' REPORT

##### Statutory Auditor

Pursuant to Section 139 of the Companies Act, 2013, M/s Anil S Shah & Co., Chartered Accountants (FRN.: 100474W), were appointed as the Statutory Auditor of the Company at 10TH Annual General Meeting for 5 (five) consecutive years till the conclusion of the Annual General Meeting to be held for Financial Year 2025, on such remuneration as may be agreed between Board of Directors and the firm.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor`s Report are self-explanatory.

##### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed M/s HDS & Associates., Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2023-24. The report submitted by the Secretarial Auditor in Form MR-3 is attached to this report as "[Annexure-F](#)". The remark of secretarial auditor is self-explanatory in nature.

##### Cost Auditor

M/s. Mayur Chhaganbhai Undhad and Co, Cost Accountant, Ahmedabad appointed as a Cost Auditor of the Company for the Financial Year 2023-24 in the Board meeting held on 31<sup>st</sup> Day of May, 2023 for conducting the audit of cost records of the Company for the Financial Year 2023-2024. Further there are no audit qualifications, reservations, adverse remarks or disclaimer in the Cost Audit Report.

## Internal Auditor

In accordance with the provisions of Section 138 of the act and rules made thereunder, the Board of Directors of the Company have appointed M/s Rajat Bansal & Associates (Firm Reg. No. 330094E) as Internal Auditor to conduct the Internal Audit of the Company for the F.Y. 2023-24. Further the report with no audit qualifications, reservation, adverse remark or disclaimer on Internal Auditor of the Company for the Financial Year 2023-2024 has been received.

## INTERNAL FINANCIAL CONTROL SYSTEM:

The Company maintains a robust and effective internal financial control system, ensuring the safeguarding and protection of all assets, as well as the accurate authorization, recording, and reporting of transactions. The internal audit encompasses a broad range of operational aspects and verifies compliance with specific standards pertaining to the availability and appropriateness of policies and procedures.

It is noteworthy that in the past year, no significant weaknesses in the design or operation of this system were identified or reported

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Companies Act of 2013 underscores the importance of establishing an efficient internal financial control system within the company. Additionally, Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 mandates the disclosure of information concerning the adequacy of internal financial controls in relation to the financial statements within the Board's report. This comprehensive report is an integral component of the Independent Auditor's Report.

## CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Board Members and the Senior Management personnel have affirmed compliance with the code for the year 2023-24.

The said Code of Conduct has been posted on the website of the Company at [www.shantispintex.com](http://www.shantispintex.com). A declaration to this effect is annexed to the Corporate Governance Report, which forms part of this Annual Report.

## PREVENTION OF INSIDER TRADING

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 the Board has formulated and implemented a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information.

The updated "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" has been uploaded on the Company's website at [www.shantispintex.com](http://www.shantispintex.com).

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

The said policy has been disseminated within the organization and has also been uploaded on the Company's website at [www.shantispintex.com](http://www.shantispintex.com).

## RISK MANAGEMENT POLICY:

Risk management at Shanti Spintex is a fundamental aspect of our operational strategy, encompassing a proactive approach to identifying, assessing, and mitigating risks across all facets of our business. We have established a robust Risk Management Policy that guides our efforts in minimizing uncertainties that could impact our business objectives, financial stability, and reputation.

Our comprehensive risk management framework integrates key risk factors into our strategic planning processes and operational decisions, ensuring that risks are identified early and managed effectively. Regular reviews and updates of our risk management practices enable us to adapt swiftly to evolving market conditions and regulatory requirements, thereby safeguarding our stakeholders' interests and fostering sustainable growth.

## TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, no amount was due for transfer to IEPF in accordance with Section 125 of the Companies Act, 2013.

## PARTICULARS OF EMPLOYEES

A statement containing the names and other particulars of employees in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as "[Annexure-G](#)" to this report.

During FY 2023-24, no employee has received remuneration in excess of the limits set out in rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## DISCLOSURE ON COMPLIANCE

The Company is in compliance with all the laws, regulations and provisions of the Stock Exchange(s), SEBI, ROC, MCA and all other statutory authorities.

## CAUTIONARY STATEMENT

The Directors' Report of Shanti Spintex includes cautionary language to inform stakeholders about potential risks and uncertainties that could affect the company's future performance. These risks may include, but are not limited to, market fluctuations, economic conditions, regulatory changes, and operational challenges. Stakeholders are advised to consider these factors when evaluating the information provided in the report and should not rely solely on forward-looking statements or projections due to the inherent uncertainties involved. The



company undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances that may arise after the report's publication.

#### APPRECIATION

Our directors extend their heartfelt gratitude to all employees at every level for their unwavering hard work, dedication, and commitment. They sincerely thank and appreciate the continued contributions, support, and cooperation of all employees, which greatly enhance the company's operations and performance.

#### ACKNOWLEDGEMENT:

Our directors wish to convey their heartfelt appreciation for the cooperation and assistance extended by Shareholders, Bankers, regulatory bodies, and other vital business partners throughout the year under review.

Furthermore, our directors want to acknowledge and express their deep sense of gratitude for the unwavering commitment exhibited by all executives, officers, and staff, which played a pivotal role in the Company's successful performance during the year.

Date: 12.08.2024  
Place: Ahmedabad

SD/-  
BHARATBHUSAN O AGARWAL  
Whole Time Director & CFO  
(DIN 00302785)

By Order of the Board of Directors  
For Shanti Spintex Limited  
SD/-  
RIKIN B AGARWAL  
Managing Director  
(DIN02435645)

## ANNEXURE-A

# CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), this report presents an overview of the corporate governance practices followed by Shanti Spintex Limited ("the Company") during the financial year ended March 31, 2024.

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

At Shanti Spintex Limited, we are committed to maintaining the highest standards of corporate governance. Our governance framework is designed to ensure transparency, accountability, and ethical conduct in all our operations. It encompasses the structures, policies, and processes that guide the company's direction and control.

To ensure the smooth functioning of government policies, the organization took the initiative to establish several committees comprising board members. These committees were created with the purpose of addressing specific areas or issues related to governance, policy implementation, and decision-making. By involving a diverse group of individuals with different expertise and perspectives, the organization aimed to enhance the effectiveness and efficiency of its operations.



**We prioritize operating with integrity, transparency, and strict adherence to all applicable laws and regulations.**



**We believe that effective governance ensures accountability, fairness, and transparency in a company's dealings.**



**Good Governance aligns the interests of all stakeholders and fosters trust and confidence.**

### POLICY ON RELATED PARTY TRANSACTIONS:

To ensure transparency, fairness, and adherence to legal requirements, the organization implemented a robust policy on Related Party Transactions. This policy aims to regulate transactions between the organization and its related parties, such as board members, executives, and their family members or affiliated businesses. By establishing clear guidelines and procedures, the organization aims to prevent any potential conflicts of interest and ensure that these transactions are conducted in compliance with applicable laws and regulations. This helps to safeguard the organization's integrity and maintain public trust.

## BOARD OF DIRECTORS:

### Composition of the Board:

As of March 31, 2024, Shanti Spintex Limited maintains an active and well-balanced Board, ensuring an optimal blend of Executive and Non-Executive Directors in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 149 of the Companies Act, 2013. The Board comprises a total of 5 (Five) Directors, including 1 (One) Managing Director and 1 (One) Whole-time Director. Additionally, there are 3 (Three) Non-Executive Directors, out of whom 2 (Two) are Independent Directors, as per the following details:

| Name of Directors & DIN  | Category of Director   | Shareholding in the Company |
|--|--|-----------------------------|
| Mr. Bharatbhushan O. Agarwal<br>DIN: 00302785                          | Chairman, Whole-Time Director<br>Chief Financial Officer<br>Executive; Non-Independent | 3033800                     |
| Mr. Rikin B. Agarwal<br>DIN: 02435645                                  | Managing Director<br>Executive; Non-Independent  | 3028400                     |
| Mr. Bhavik Rameshbhai Talati<br>DIN:10263736                           | Non-Executive; Non-Independent<br>Director   | NIL                         |
| Miss. Kruti Vyas<br>DIN: 10299486                                      | Non-Executive; Independent Director  | NIL                         |
| Mrs. Sejal R. Agrawal<br>DIN: 09376887<br>(Ceased w.e.f. 14.06.2024)   | Non-Executive; Independent Director  | NIL                         |
| Mrs. Monika G. Gupta<br>DIN: 07224521<br>(Appointed w.e.f. 22.06.2024) | Non-Executive Independent Director   | NIL                         |

In terms of Regulation 17(A) of the Listing Regulations, none of the Directors of the Company serves as an Independent Director in more than 7 (Seven) listed entities. Moreover, none of the Directors on the Company's Board is a member of more than 10 (Ten) Committees or act as Chairman of more than 5 (Five) Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all the Companies in which he or she is a director pursuant to the Regulation 26 of Listing Regulations. Necessary disclosures have been made by each Director.

### Details pertaining to the Non-Executive Directors' Shareholding, Convertible Instruments and Compensation and disclosures:

Apart from sitting fees for attending Board & Committee meetings, no other fees or commission is paid to the Non-Executive Independent Directors during the financial year. As on March 31, 2024 holding of Non-Executive Directors in Equity Shares and convertible instruments are Nil in the Company.

### Familiarization Program for Directors:

On appointment of an individual as Director of the company they are explained the role, function, duties and responsibilities and in addition to the above, the company also conducts Familiarization Program at least once in the year. The details of the familiarization program for Independent Directors are available on the Company's website [www.shantispintex.com](http://www.shantispintex.com).

### Disclosure of relationships between the Directors inter-se:

Mr. Bharatbhushan O. Agarwal and Mr. Rikin B. Agarwal are related to each other as father and son.

### Meeting and Attendance:

During the year, the Board of Directors met 15 times. The gap between two Board Meetings was within the maximum time gap prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

| Date of Board Meetings                        | Bharatbhusan Agarwal | Rikin Agarwal | Bhavik Talati | Kruti Vyas | Sejal Agrawal |
|---|----------------------|---------------|---------------|------------|---------------|
| 31.05.2023                                    | Present              | Present       | -             | -          | -             |
| 05.06.2023                                    | Present              | Present       | -             | -          | -             |
| 20.07.2023                                    | Present              | Present       | -             | -          | -             |
| 02.08.2023                                    | Present              | Present       | Present       | -          | -             |
| 20.08.2023                                    | Present              | Present       | Present       | -          | -             |
| 24.08.2023                                    | Present              | Present       | Present       | -          | -             |
| 01.09.2023                                    | Present              | Present       | Present       | Present    | Present       |
| 13.09.2023                                    | Present              | Present       | Present       | Present    | Present       |
| 15.09.2023                                    | Present              | Present       | Present       | Present    | Present       |
| 06.11.2023                                    | Present              | Present       | Present       | Present    | Present       |
| 27.11.2023                                    | Present              | Present       | Present       | Present    | Present       |
| 12.12.2023                                    | Present              | Present       | Present       | Present    | Present       |
| 22.12.2023                                    | Present              | Present       | Present       | Present    | Present       |
| 26.12.2023                                    | Present              | Present       | Present       | Present    | Present       |
| 27.02.2024                                    | Present              | Present       | Present       | Present    | Present       |
| Total No. of Board Meetings Attended          | 15                   | 15            | 12            | 9          | 9             |
| Attendance at the last AGM held on 30.09.2023 | Yes                  | Yes           | Yes           | Yes        | Yes           |

Pursuant to the amendments through SEBI (LODR) (Amendment) (Regulations), 2018 in Schedule V; the names of other listed entities where Directors of the Company are Directors along with the category of Directorship as at 31st March, 2024 are appended separately below:

| Name of Director | Name of listed entities in which the concerned Director is a director | Category of Directorship in the listed companies |
|------------------|---|--|
| Sejal R. Agrawal | Shanti Educational Initiatives Limited                                | Non-Executive Independent Director               |

The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/ Chairmanship(s) as at 31st March, 2024 are as given below:

| Name of the Directors and DIN                                     | Category                                | Number of Directorships in listed entities including this listed entity** | Number of Independent Directorships in listed entities including this listed entity** | Number of membership in Audit/ Stakeholder Committee including this listed entity*** | Number of post of Chairperson in Audit/ Stakeholder Committee including this listed entity*** |
|---|---|---|---|--|---|
| Mr. Bharatbhushan Agarwal<br>DIN: 00302785                        | Chairman, WTD & CFO                     | 1   | 0   | 1  | 0   |
| Mr. Rikin Agarwal<br>DIN: 02435645                                | Managing Director                       | 1   | 0   | 0  | 0   |
| Mr. Bhavik Talati<br>DIN:10263736                                 | Non-Executive; Non-Independent Director | 1   | 0   | 1  | 0   |
| Miss. Kruti Vyas<br>DIN: 10299486                                 | Independent Director                    | 0   | 1   | 1  | 1   |
| Mrs. Sejal Agrawal<br>DIN: 09376887<br>(Ceased w.e.f. 14.06.2024) | Independent Director                    | 0   | 2   | 1  | 1   |

\*\*In compliance with Regulation 17A of SEBI (LODR) Regulations, 2015

\*\*\* In compliance with Regulation 26(1) of SEBI (LODR) Regulations, 2015 & the membership is inclusive of number of posts of chairperson and Excludes Private Limited Companies, Foreign Companies, Section 8 Companies.

#### Independent Director:

The Board of Directors has confirmed that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

The meeting of Independent Directors was held on 22<sup>nd</sup> December, 2023 without the presence of Non-Independent Directors and management team. At the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole.

## Key Skills, Expertise and Attributes:

In accordance with the provisions of Schedule V(C)(2)(h) of the Listing Regulations, the Board has identified the core skills, expertise, and competencies required for effective functioning within its business and sector context. The following details the specific skills, expertise, and competencies available within the Board, along with the names of the directors who possess them:

| Name of Director(s)                              | Core Skills / Expertise / Competencies   |
|--|--|
| Mr. Bharatbhusan Agarwal                         | <ul style="list-style-type: none"> <li>• Entrepreneurship &amp; Leadership</li> <li>• Financial Management</li> <li>• Project Management</li> <li>• Business acumen</li> <li>• Risk Management</li> <li>• Organization Management</li> <li>• Corporate Governance &amp; Compliance</li> <li>• Banking</li> <li>• Planning &amp; Strategic Development</li> </ul>   |
| Mr. Rikin Agarwal                                | <ul style="list-style-type: none"> <li>• Entrepreneurship &amp; Leadership</li> <li>• Marketing &amp; Sales</li> <li>• Financial Management</li> <li>• Project Management</li> <li>• Performance Oriented</li> <li>• Performance Oriented</li> <li>• Risk Management</li> <li>• Corporate Governance</li> <li>• Communication and Negotiation</li> <li>• Strategic Investment</li> <li>• Investor Relations</li> </ul> |
| Mr. Bhavik Talati                                | <ul style="list-style-type: none"> <li>• Human Resources, Administration and Inter Personal Management</li> <li>• Knowledge on Internal Control Mechanism</li> <li>• Marketing &amp; Sales</li> <li>• Performance Oriented</li> <li>• Corporate Governance</li> <li>• Insurance</li> <li>• Project Management</li> </ul>   |
| Miss. Kruti Vyas                                 | <ul style="list-style-type: none"> <li>• Performance Oriented</li> <li>• Legal</li> <li>• Corporate Governance &amp; Compliance</li> <li>• Planning &amp; Strategic Development</li> <li>• Organizational Restructuring</li> <li>• Strategic Diversification</li> <li>• Investor Relations</li> </ul>  |
| Mrs. Sejal Agrawal<br>(Ceased w.e.f. 14.06.2024) | <ul style="list-style-type: none"> <li>• Financial Management</li> <li>• Risk Management</li> <li>• Corporate Governance &amp; Compliance</li> <li>• Performance Oriented</li> </ul>   |

## COMMITTEES OF THE BOARD:

The Board's committees are formed with an ideal mix of Board members, adhering to the relevant provisions of the Act and Listing Regulations. These committees meet regularly and take the required actions to fulfill the responsibilities assigned by the Board, based on the evolving needs of the business.

The Board has constituted 4 (Four) Committees as mentioned below:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Grievances and Relationship Committee
- d. Corporate Social Responsibility Committee

### a. Audit Committee:

The Audit Committee of the Board is constituted in accordance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, The Committee members have requisite knowledge in the fields of Finance, Accounts and Company Law. During the financial year under review, The Audit Committee met Two (2) times.

### Composition, Meetings and Attendance:

| Name of Member  | Designation | Category             | Date of Appointment | Attendance at meeting |            |
|---|-------------|----------------------|---------------------|-----------------------|------------|
|   |             |                      |                     | 27.11.2023            | 27.02.2024 |
| Sejal R. Agarwal<br><i>(Ceased w.e.f. 14.06.2024)</i> | Chairman    | Independent Director | 13.09.2023          | Present               | Present    |
| Kruti Vyas  | Member      | Independent Director | 13.09.2023          | Present               | Present    |
| Bharatbhushan O. Agarwal                              | Member      | Whole Time Director  | 13.09.2023          | Present               | Present    |

### b. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Board is constituted in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations. Further the Committee comprises of Non-Executive Directors of which two-third of them are independent.

The Nomination and Remuneration Policy is available at [www.shantispintex.com](http://www.shantispintex.com).

### Composition, Meetings and Attendance:

| Name of Member  | Designation | Category               | Date of Appointment | Attendance at meeting |
|---|-------------|------------------------|---------------------|-----------------------|
|   |             |                        |                     | 27.02.2024            |
| Kruti Vyas  | Chairman    | Independent Director   | 13.09.2023          | Present               |
| Sejal R. Agarwal<br><i>(Ceased w.e.f. 14.06.2024)</i> | Member      | Independent Director   | 13.09.2023          | Present               |
| Bhavik R. Talati                                      | Member      | Non-Executive Director | 13.09.2023          | Present               |

c. Stakeholder and Relationship Committee:

The Stakeholders Grievance and Relationship Committee of the Board is constituted in accordance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013. The Committee consists of 3 Directors out of which 2 are Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director.

Composition, Meetings and Attendance:

| Name of Member                                 | Designation | Category               | Date of Appointment | Attendance at meeting |
|--|-------------|------------------------|---------------------|-----------------------|
|  |             |                        |                     | 27.02.2024            |
| Kruti Vyas                                     | Chairman    | Independent Director   | 13.09.2023          | Present               |
| Sejal R. Agarwal<br>(Ceased w.e.f. 14.06.2024) | Member      | Independent Director   | 13.09.2023          | Present               |
| Bhavik R. Talati                               | Member      | Non-Executive Director | 13.09.2023          | Present               |

Number of Shareholders' complaints received / resolved / pending during the financial year: NIL

c. Corporate and Social Responsibility (CSR) Committee:

The Corporate Social Responsibility Committee of the Company is constituted in accordance with the provisions of Section 135 of the Act.

The policy on Corporate and Social Responsibility (CSR) is available at [www.shantisintex.com](http://www.shantisintex.com).

| Name of Member           | Designation | Category               | Date of Appointment | Attendance at meeting |
|--------------------------|-------------|------------------------|---------------------|-----------------------|
|                          |             |                        |                     | 27.02.2024            |
| Bharatbhushan O. Agarwal | Chairman    | Independent Director   | 13.09.2023          | Present               |
| Rikin B. Agarwal         | Member      | Independent Director   | 13.09.2023          | Present               |
| Kruti Vyas               | Member      | Non-Executive Director | 13.09.2023          | Present               |

**COMPANY SECRETARY AND COMPLIANCE OFFICER:**

During the year under review the Company has appointed Mrs. Mohini Singhal as Company Secretary & Compliance Officer w.e.f. 2<sup>nd</sup> August, 2023. Mrs. Singhal brings a wealth of experience and expertise in corporate governance, regulatory compliance, and secretarial practices. Her appointment is expected to further strengthen the Company's compliance framework and support the Board in ensuring adherence to statutory requirements and best practices in corporate governance.

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

As mandated by the Securities and Exchange Board of India, the Company must conduct a Reconciliation of Share Capital Audit (RSCA) through a practicing Company Secretary. This audit is performed quarterly, and the resulting report from the practicing Company Secretary is submitted to the stock exchanges. The audit, among other things, verifies that the company's total listed and paid-up capital matches the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and the total number of shares in physical form.



## REMUNERATION OF DIRECTORS:

Below are the details of remuneration to Directors of the Company for the F.Y. 2023-2024:

| Name of Director        | Salary | Sitting Fees | Other Payments |
|-------------------------|--------|--------------|----------------|
| Bharatbhusan O. Agarwal | -      | -            | -              |
| Rikin B. Agarwal        | 12.00  | -            | -              |
| Kruti Vyas              | -      | 0.60         | -              |
| Bhavik Talati           | -      | -            | 5.14           |
| Sejal Agrawal           | -      | 0.34         | -              |

( in Lacs)

## MEANS OF COMMUNICATIONS:

### Website:

The company's website, [www.shantispintex.com](http://www.shantispintex.com), features a dedicated "Investors" section that provides information for shareholders.

### Stock Exchanges:

All half-yearly and annual financial results are promptly submitted to stock exchanges after being approved by the Board, and all the periodical compliance filings, inter alia, financial results, shareholding pattern, corporate announcements, statement of investor complaints and such other compliances as required under Listing Regulations are filed electronically through "BSE Listing Centre" portal provided by BSE.

### Communication to shareholders on email:

Documents like Notices, Annual Reports, etc. are sent to the shareholders on their registered email address / communication address as registered with their Depository Participants/ Company/Registrar and Transfer Agents (RTA). Members who have not yet registered their Email Id (including those who wish to change their already registered Email Id ) may get the same registered/ updated either with their depositories or by writing to the Company / RTA of the Company.

### SEBI Complaints Redress System (SCORES):

To protect the interest of investors, SEBI has initiated processing of investors complaints in a centralized web-based complaints redress system 'SCORES'.

The salient features of this system are:

- Centralized database of all complaints;
- Online movement of complaints to the concerned listed companies;
- Online upload of Action Taken Reports (ATRs) by the concerned companies; and
- Online viewing by investors of actions taken on the complaint and its current status.

## INFORMATION ON GENERAL BODY MEETINGS:

Details of the last three years Annual General Meetings (AGM):

| AGM                  | Date of AGM | Time      | Venue / Mode      |
|----------------------|-------------|-----------|-------------------|
| 13 <sup>th</sup> AGM | 30.09.2023  | 4:00 P.M  | Registered office |
| 12 <sup>th</sup> AGM | 30.09.2022  | 5:30 P.M  | Registered office |
| 11 <sup>th</sup> AGM | 30.11.2021  | 03.30 P.M | Registered office |

Summary of the special resolutions passed at the previous three AGMs of the Company:

| Date of AGM | Summary of Special Resolution passed         |
|-------------|--|
| 30.09.2023  | No Special Resolution was passed in this AGM |
| 30.09.2022  | No Special Resolution was passed in this AGM |
| 30.11.2021  | No Special Resolution was passed in this AGM |

Details of Extra-Ordinary General Meeting (EGM) held during the Financial Year under review:

| Date of EGM | Time      | Venue / Mode      | Resolutions Passed  |
|-------------|-----------|-------------------|---|
| 20.06.2023  | 11:00 A.M | Registered office | Increase in the Authorized Share Capital  |
| 31.07.2023  | 01:00 P.M | Registered office | Issuance of Bonus Equity Shares; Appointment of Mr. Bhavik Talati as the Non-Executive Director; To approve conversion from Private to Public Limited and accordingly alteration of the MOA & AOA.  |
| 31.08.2023  | 11:00 A.M | Registered office | To create charge/mortgage over the properties for the purpose of borrowing in the terms of section 180(1)(a) of the Act*; To borrow money pursuant to section 180(1)(c) of the Act*; To increase the limits for the loans and investment by the company in terms of the provisions section 186 of the Act*; Alteration of the AOA, Appointment of Independent Directors: Miss. Kruti Vyas and Mrs. Sejal R. Agrawal, To appoint Mr. Bharatbhusan Agarwal as the CFO and de-designate him as the Chairman and Whole Time Director, To Re-designate Mr. Rikin Agarwal as the Managing Director. |

*\*Note: The Act here refers to The Companies Act, 2013*

## POSTAL BALLOT:

During the year under review, no resolution was passed through postal ballot. Further, currently, no resolution is proposed to be passed through postal ballot.

## GENERAL SHAREHOLDERS INFORMATION:

### Annual General Meeting:

|              |  |
|--------------|--|
| Day and Date | Monday, 9 <sup>th</sup> September, 2024                          |
| Time         | 2:30 P.M (IST)   |
| Mode*        | Through Video Conferencing (VC) / Other Audio Visual Means (OAV) |

*\*For further details please refer to the Notice of the AGM.*

### Financial Year:

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

### Dividend Payment Date:

The Board has not recommended final dividend for the financial year under review.

### Listing Status:

The company's Equity shares are listed on Bombay Stock Exchange Limited (SME Platform) on 27th December, 2023.

### Payment of Listing fees:

The Annual Listing Fees for the Financial Year 2024-2025 has been paid to the above Stock Exchange.

### Payment of Depository fees:

Annual Custody / Issuer fees for the Financial Year 2024-2025 has been paid to NSDL and CDSL.

### Market Price Data:

The monthly high and low prices and volumes of Company's shares at BSE for F.Y. 2023-2024 are as below:

| Month          | Low   | High  | Volume    |
|----------------|-------|-------|-----------|
| December, 2023 | 72.02 | 79.80 | 22,44,000 |
| January, 2024  | 71.00 | 96.92 | 30,66,000 |
| February, 2024 | 70.10 | 78.00 | 8,08,000  |
| March, 2024    | 46.25 | 71.50 | 18,66,000 |

### Registrar and Share Transfer Agent:

#### **KFin Technologies Limited**

Address: Selenium Tower B, Plot No.31-32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally, Hyderabad

Telephone: +91 40 6716 2222

Website: www.kfintech.com

### Share Transfer System:

Entire holding of the Company is in dematerialized form and matters pertaining to Share Transfer are being handled by our RTA KFin Technologies Limited.

The Company obtains certificate on periodical basis from a Company Secretary in Practice confirming the issue of share certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the exchange in terms of Regulation 40(9) of Listing Regulations.

### Distribution of shareholding:

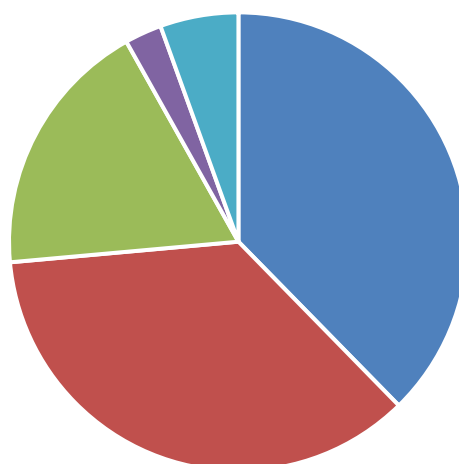
Distribution of Shareholding as on March 31, 2024:

| Share's Range  | No. of Shareholders | Total Shares | % Of issued Capital |
|----------------|---------------------|--------------|---------------------|
| 10001- 20000   | 507                 | 1014000      | 6.0043              |
| 30001- 40000   | 94                  | 376000       | 2.2264              |
| 50001- 100000  | 69                  | 522000       | 3.091               |
| 100001 & Above | 45                  | 14976000     | 88.6784             |

Category wise Shareholding as on March 31, 2024:

| Category of Shareholders            | No. of Shares   | % Of issued Capital |
|-------------------------------------|-----------------|---------------------|
| Promoter Group                      | 6361800         | 37.6705             |
| Promoters                           | 6062200         | 35.8965             |
| Resident Individuals                | 3092000         | 18.3089             |
| Bodies Corporates                   | 440000          | 2.6054              |
| Alternative Investment Fund         | 396000          | 2.3449              |
| H U F                               | 250000          | 1.4803              |
| Foreign Portfolio - Corp            | 158000          | 0.9356              |
| NBFC                                | 68000           | 0.4027              |
| Non-Resident Indians                | 36000           | 0.2132              |
| Non-Resident Indian Non Repatriable | 14000           | 0.0829              |
| Financial Institutions              | 10000           | 0.0592              |
| <b>TOTAL</b>                        | <b>16888000</b> | <b>100</b>          |

No. of Shares



#### Dematerialization of Shares & Liquidity:

The aggregate dematerialized shareholding of the Company stood at 100%. Brief position of Company's dematerialized shares as on 31.03.2024 is given below:

| Description  | Shares          | % holding     |
|--------------|-----------------|---------------|
| NSDL         | 2478000         | 14.67         |
| CDSL         | 14410000        | 85.33         |
| PHYSICAL     | 0               | 0             |
| <b>TOTAL</b> | <b>16888000</b> | <b>100.00</b> |

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: **NIL**

Disclosure of commodity price risks and commodity hedging activities: **NIL**

#### Policy on "Material" Subsidiary:

The Company has Board approved policy on determining Material Subsidiary which can be accessed on the website of the Company [www.shantispintex.com](http://www.shantispintex.com).

#### Details of Non- Compliance:

No Strictures or penalties have been imposed on the Company by Securities and Exchange Boards of India or by any statutory authority on any matters related to capital markets during the period under review.

#### Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has established a Vigil mechanism through a Whistle Blower Policy, in compliance with Section 177(9) of the Companies Act, 2013. This mechanism enables Directors/Employees to responsibly and effectively voice concerns about unethical behavior, actual or suspected fraud, or violations of the Company's policies and code of conduct. It also ensures adequate safeguards against victimization of Directors/Employees utilizing the mechanism.

Access to the Audit Committee has not been denied to any individual within the Company, and there have been no instances where such access was restricted. The Whistle Blower Policy is accessible on the Company's website [www.shantispintex.com](http://www.shantispintex.com).

#### Certificate from Company Secretary in Practice:

The Company has taken certificate from M/s HDS Associates, Practicing Company Secretary, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed as **Annexure-1** to this report.

#### Recommendation of any committee of the board:

The Board has accepted all the recommendations of various committees of the Board during the year under review.

#### Details of total fees paid to Statutory Auditors:

As required under Regulation 34 read with Part C of the Schedule V of Listing Regulations, the details of total fees paid by the Company to the Statutory Auditors, are mentioned in the notes to the financial statements of the Company.

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount: **NIL**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- Number of complaints filed during the Financial Year: **NIL**
- Number of complaints disposed of during the Financial Year: **NIL**
- Number of complaints pending as on end of the Financial Year: **NIL**

#### Non-Compliance of requirement of Corporate Governance Report:

There is no Non-compliance of any requirement of corporate governance report as required under the SEBI (LODR) Regulations, 2015 read with Schedule V of the act.

#### DISCRETIONARY REQUIREMENTS:

##### The Board:

The Chairperson of the Company is an executive director and does not maintain his separate office at the Company's expense.

##### Shareholders' Rights:

The Company declares its financial results half-yearly, submit it to the stock exchange and places on its website along with significant events are also posted on the Company's website.

##### Modified opinion(s) in audit report:

The audit opinion received by the Company has not been modified.

##### Reporting of Internal Auditor:

Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.

Details of shares lying in suspense account: **NIL**

**COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF THE SEBI (LODR) REGULATIONS, 2015:**

Although your Company is SME listed company on BSE Limited and compliance with the corporate governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015 are not applicable to the listed entity which has listed its specified securities on the SME Exchange, your Company has complied with almost all the provisions of the above mentioned regulations of SEBI (LODR) Regulations, 2015 to maintain the effective Corporate Governance in the Company.

**OTHER CERTIFICATIONS & DECLARATIONS FOR THE FINANCIAL YEAR 2023-2024:**

**Certification by Chief Financial Officer (Regulation 17(8) read with Part B of Schedule II of the Listing Regulations):**

The Certification by Chief Financial Officer of the Company has received is annexed as [Annexure-2](#) to this Corporate Governance Report.

**Declaration for Compliance of 'Code of Conduct for Board of Directors & Senior Management' (Regulation 17 of Listing Regulations):**

A declaration for the year ended March 31, 2024 signed by the Managing Director of the Company stating that the members of board of directors and senior management personnel have affirmed compliance with the 'Code of Conduct of Board of Directors and Senior Management' is annexed as [Annexure-3](#) to this Corporate Governance Report.

**Certification on Corporate Governance (Schedule V - Para E of Listing Regulations):**

A compliance certificate from the Secretarial Auditor of the Company certifying the compliance of 'Corporate Governance' by the Company is annexed as [Annexure-4](#) to this Report.

Date: 12.08.2024  
Place: Ahmedabad

SD/-  
BHARATBHUSAN O AGARWAL  
Whole Time Director & CFO  
(DIN 00302785)

By Order of the Board of Directors  
For Shanti Spintex Limited

SD/-  
RIKIN B AGARWAL  
Managing Director  
(DIN02435645)

# Annexure-1

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members**

**SHANTI SPINTEX LIMITED**

(Formerly Known as **SHANTI SPINTEX PRIVATE LIMITED**)

CIN: **L17120GJ2010PLC062084**

ISIN: INE0QZQ01019

Scrip Code: 544059

Stock Exchange: BSE -SME (Bombay Stock Exchange- Small and Medium Enterprise)

**Registered Office :** Sub Plot 1, Unit 1, Survey No. 297, Dholi - Integrated Spinning Park Limited, Dholi, Dholka, Ahmedabad, Gujarat, India-382240

**Corporate Office:** A-1601, Navratna Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad, Daskroi, Gujarat, India-380058

We, **HDS & Associates**, Practicing Company Secretaries @ Ahmedabad, Gujarat have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHANTI SPINTEX LIMITED** (Formerly Known as **SHANTI SPINTEX PRIVATE LIMITED**) having CIN: **L17120GJ2010PLC062084** and having registered office at Sub Plot 1, Unit 1, Survey No. 297, Dholi - Integrated Spinning Park Dholi, Dholka, Ahmedabad, Gujarat, India-382240 (hereinafter referred to as 'the Company'), produced before us for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| SR. No. | Name of Director                 | DIN      | Designation                        | Date of Appointment | Date of Cessation |
|---------|----------------------------------|----------|------------------------------------|---------------------|-------------------|
| 1.      | Bharat Bhushan Omprakash Agarwal | 00302785 | Whole-time director                | 20/08/2014          | -                 |
| 2.      | Rikin Bharatbhushan Agarwal      | 02435645 | Managing Director                  | 20/08/2014          | -                 |
| 3.      | Sejal Ronak Agrawal              | 09376887 | Non Executive Independent Director | 31/08/2023          | -                 |



|    |                          |          |  |            |   |
|----|--------------------------|----------|--|------------|---|
| 4. | Kruti Vyas               | 10299486 | Non Executive Independent Director     | 31/08/2023 | - |
| 5. | Bhavik Rameshbhai Talati | 10263736 | Non Executive Non Independent Director | 31/07/2023 | - |

There are changes in the Directorship and the Key Managerial Personnel of the Company since the last Annual General meeting.

**Mr. Bharat Bhushan Omprakash Agarwal (DIN: 00302785), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.**

Changes in the Directorship and Key Managerial Personnel of the Company since the Last Annual General Meeting:-

| Name of the Directors            | Designation   | Date of Appointment / Change in Designation | Date of Resignation |
|----------------------------------|---|---|---------------------|
| Bharat Bhushan Omprakash Agarwal | Whole-Time Director<br><b>(Change In Designation)</b> | 31/08/2023                                  | -                   |
| Rikin Bharatbhushan Agarwal      | Managing Director<br><b>(Change In Designation)</b>   | 31/08/2023                                  | -                   |
| Kruti Vyas                       | Non Executive Independent Director                    | 31/08/2023                                  | -                   |
| Sejal Ronak Agrawal              | Non Executive Independent Director                    | 31/08/2023                                  | -                   |
| Bhavik Rameshbhai Talati         | Non Executive Non Independent Director                | 31/07/2023                                  | -                   |
| Mohini Singhal                   | Company Secretary Cum Compliance Officer              | 02/08/2023                                  | -                   |
| Bharat Bhushan Omprakash Agarwal | Chief Financial Officer                               | 24/08/2023                                  | -                   |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company.

Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 02-07-2024  
Place: Ahmedabad

**For HDS& Associates**  
(Practicing Company Secretaries)  
Cop. No: 17840  
Sd/-

**CS Heti R. Gandhi**  
(Proprietor)  
M. No. F11884  
Pr. No. 1507/2021  
UDIN: F011884F000651292

## Annexure-2

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Board of Directors  
Shanti Spintex Limited

Dear members of the Board,

1. I have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2024 and to the best of our knowledge and belief –
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
2. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal, or violate of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year ;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date: 13.05.2023  
Place: Ahmedabad

SD/-  
Bharatbhushan O. Agarwal  
(Chief Financial Officer & Whole Time Director)

## Annexure-3

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted Code of Conduct for its employees including for the Executive and Non-Executive Directors of the Company and Senior Management Personnel. The Code of Conduct and Business Ethics is posted on the Company's website.

I confirm that in respect of the financial year ended March 31, 2024, the Company has received from the Senior Management Team of the Company and the Members of the Board, declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors including all functional heads as on March 31, 2024.

SD/-  
RIKIN B AGARWAL  
Managing Director  
(DIN02435645)  
Date: 12.08.2024  
Place: Ahmedabad

## Annexure-4

### **CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE**

To,  
**The Members**  
**SHANTI SPINTEX LIMITED**  
(Formerly Known as **SHANTI SPINTEX PRIVATE LIMITED**)  
CIN: **L17120GJ2010PLC062084**  
ISIN: INE0QZQ01019  
Scrip Code: 544059  
Stock Exchange: BSE -SME (Bombay Stock Exchange- Small and Medium Enterprise)

**Registered Office :** Sub Plot 1, Unit 1, Survey No. 297, Dholi - Integrated Spinning Park Limited, Dholi, Dholka, Ahmedabad, Gujarat, India-382240

**Corporate Office:** A -1601, Navratna Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad, Daskroi, Gujarat, India- 380058

We, **HDS & Associates**, Practicing Company Secretaries @ Ahmedabad, Gujarat have examined the compliance of conditions of Corporate Governance by **SHANTI SPINTEX LIMITED** (Formerly Known as **SHANTI SPINTEX PRIVATE LIMITED** )("the Company") for the year ended March 31, 2024 as stipulated under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C,D and E of schedule V of the Securities and Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management.

Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It's neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated under the Listing Regulations except those non Compliances/Late Submissions of Compliances as mentioned in the Annexure-2 of the Secretarial Audit Report for the F.Y. 2023-24.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For HDS& Associates**  
(Practicing Company Secretaries)  
Cop. No: 17840  
Sd/-

Date: 02-07-2024  
Place: Ahmedabad

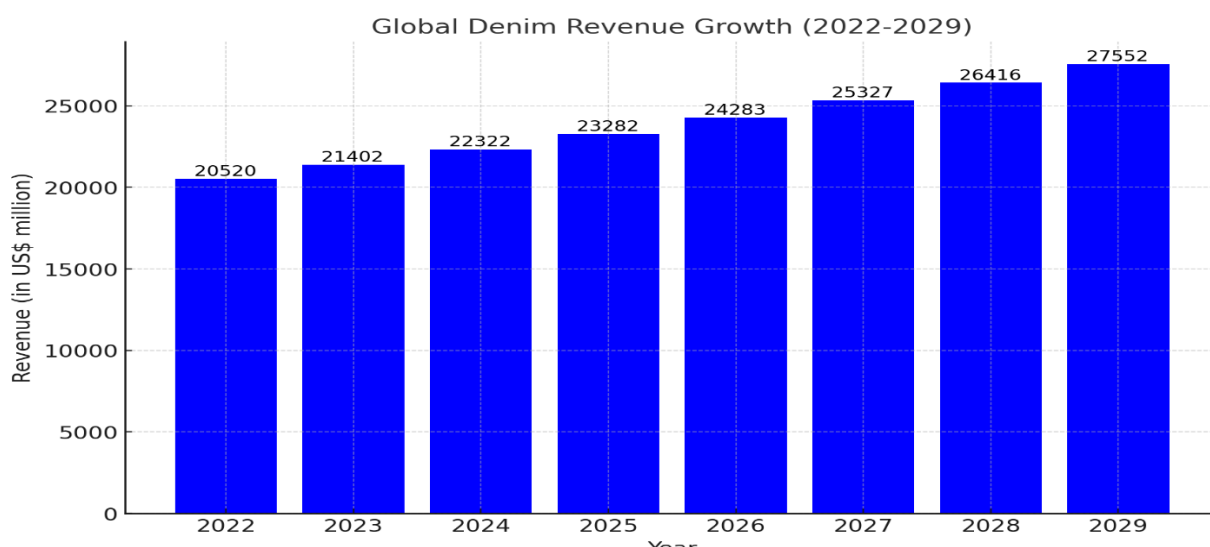
**CS Heti R. Gandhi**  
(Proprietor)  
M. No. F11884  
Pr. No. 1507/2021  
**UDIN: F011884F000651479**

## ANNEXURE-B

# MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW

The global denim fabric industry has demonstrated robust growth over the past year, driven by rising demand for high-quality, sustainable products. Increasing consumer awareness about sustainable fashion and advancements in textile manufacturing technologies have played pivotal roles in shaping industry trends. The market is characterized by intense competition, with players focusing on innovation and sustainability to differentiate their offerings.



Source: Valuate Reports : The global Denim revenue was US\$ 20520 million in 2022 and is forecast to a readjusted size of US\$ 27650 million by 2029 with a CAGR of 4.3% during the forecast period (2023-2029).

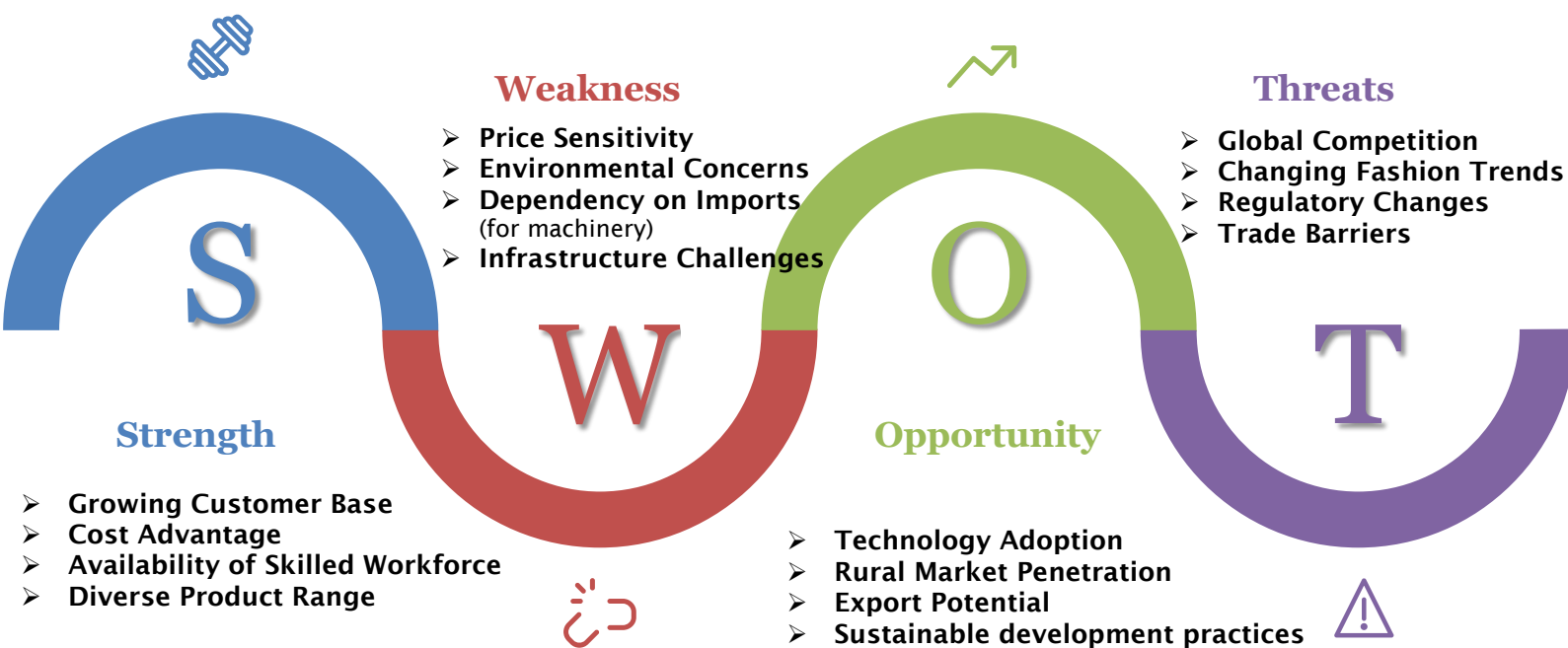
The denim industry in India has shown significant growth over the past decade. It is one of the fastest-growing segments within the textile sector. The market size of the denim industry in India was valued at approximately USD 3.6 billion in 2020 and is projected to grow at a CAGR of around 8% from 2021 to 2026.

India is one of the largest producers of denim fabric globally and significant exporter of denim textiles. The country has a diverse production base, ranging from small-scale units to large integrated denim manufacturing plants.

Domestic consumption of denim in India has been steadily increasing due to changing fashion trends, rising disposable incomes, and a growing young population. Denim is increasingly becoming popular not just as casual wear but also in the formal and semi-formal segments.

Indian denim manufacturers are adopting advanced technologies to enhance productivity, improve quality, and reduce environmental impact. Sustainable denim manufacturing practices, such as waterless dyeing techniques and use of organic cotton, are gaining traction among Indian denim producers.

The future outlook for the Indian denim industry remains positive, driven by increasing demand from both domestic and international markets. Investments in capacity expansion, technological upgrades, and sustainable practices are expected to further propel growth in the coming years.



## COMPANY OVERVIEW

Shanti Spintex Limited is a leading denim fabric manufacturer, renowned for its commitment to quality, innovation, and sustainability. Our strategic focus on leveraging advanced technologies and sustainable practices has enabled us to maintain a competitive edge in the market.

Technology enables precise control over manufacturing processes, ensuring consistent quality in denim fabric production.

We are working towards innovative denim fabrics with unique properties such as stretchability, moisture-wicking, or enhanced durability. Offering differentiated products can attract niche markets and premium segments, thereby diversifying revenue streams.

We are adopting water-efficient dyeing and finishing techniques which reduces water consumption and minimizes wastewater discharge. This aligns with global sustainability goals and regulatory requirements, enhancing the company's reputation as a responsible corporate citizen.

## FINANCIAL PERFORMANCE

In the past fiscal year, Shanti Spintex Limited has recorded significant growth in revenue and profitability. Key financial highlights include:

- **Revenue Growth:** Our revenue increased by 36.65%, driven by strong demand for our denim fabrics.
- **Profitability:** Net profit after tax improved by 28.56%, reflecting our operational efficiencies and effective cost management.
- **Return on Capital employed:** ROCE increased by 34%, demonstrating the profitability and efficiency of a company's capital investments. It indicates how effectively a company is utilizing its capital to generate profits.

### Key Ratios:

| Ratios                           | F.Y 2023-2024 | F.Y 2022-23 | % Change | Reason for the variance of 25% or more   |
|----------------------------------|---------------|-------------|----------|--|
| Debt-Equity Ratio                | 0.36          | 0.86        | -58%     | Due to Increase in Equity and Reserve and surplus                                  |
| Debt Service Coverage Ratio      | 1.44          | 1.34        | 7%       | Not Applicable   |
| Return on Equity Ratio           | 15%           | 21%         | -27%     | Due to Increase in Profit after Tax & Increase in Equity on 27.12.2023 due to IPO. |
| Inventory turnover ratio         | 27.09         | 25.86       | 5%       | Not Applicable   |
| Trade Receivables turnover ratio | 6.40          | 6.17        | 4%       | Not Applicable   |
| Trade payables turnover ratio    | 8.86          | 6.61        | 34%      | Increase in Purchase by 36%  |
| Net capital turnover ratio       | -17.19        | -9.20       | 87%      | Not Applicable   |
| Net profit ratio                 | 2.57          | 2.73        | -6%      | Not Applicable   |
| Return on Capital employed       | 18%           | 13%         | 34%      | Due to Increase in Profit  |

### OPERATIONAL PERFORMANCE

Our operational performance has been bolstered by several key initiatives:

- **Technology and Innovation:** We have invested in cutting-edge manufacturing technologies, enhancing our production capabilities and ensuring the highest quality standards.
- **Product Development:** Our R&D team has introduced innovative denim fabrics that cater to the latest fashion trends and consumer preferences.
- **Sustainability Initiatives:** We have implemented measures to reduce waste, conserve energy, and utilize renewable resources, reinforcing our commitment to environmentally responsible manufacturing.

### STRATEGIC INITIATIVES

To sustain our growth and competitive advantage, we have undertaken several strategic initiatives:

- **Market Expansion:** Focus on current markets to increase our customer base, tap new market and increase geographical reach and customer base. Deploy additional field force of sales and marketing representatives.
- **Partnerships:** Maintaining cordial relationship with Suppliers, Customer and employees, developing efficient and timely delivery of products to build strong relationships with customers.
- **Quality standards:** Focus on consistently meeting quality standards, and provide desired & good quality products to enhance customer trust & maintain long term relationships.



- **Cost efficiency:** Continue to strive for cost efficiency by targeting economies of scale for increased negotiating power on procurement.

## **CHALLENGES AND RISK MANAGEMENT**

Despite our successes, we acknowledge the challenges that lie ahead:

- **Market Competition:** The denim fabric market is highly competitive, with numerous players vying for market share. We continually innovate and improve our products to stay ahead.
- **Raw Material Prices:** Fluctuations in raw material prices can impact our cost structure. We employ strategic sourcing and long-term contracts to mitigate this risk.
- **Regulatory Compliance:** Compliance with environmental and industry regulations is crucial. We ensure adherence through robust governance and regular audits.

## **OUTLOOK**

Looking ahead, we remain optimistic about our growth prospects. Our strategic focus on innovation, sustainability, and operational excellence positions us well to capitalize on market opportunities. We are committed to enhancing shareholder value through continued investment in technology, expansion into new markets, and maintaining the highest standards of corporate governance.

## **CONCLUSION**

In conclusion, the past year has been a period of significant achievement for Shanti Spintex Limited. Our strong financial performance, strategic initiatives, and unwavering commitment to quality and sustainability have set a solid foundation for future growth.

We extend our gratitude to our shareholders, employees, and partners for their continued support and confidence in our vision.

## ANNEXURE-C

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

*[Pursuant to Section 134(3)(m) of The Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014]*

#### CONSERVATION OF ENERGY

##### i. the steps taken or impact on conservation of energy:

###### a. Identification and Monitoring of High-Energy Load Centers:

- Regularly identify and monitor operation of high-energy consuming load centers such as compressors.
- Conduct daily monitoring of consumption for critical 'A' class loads to optimize energy usage.

###### b. Utilization of Energy Efficient Lighting Systems:

- Implement energy efficient lighting systems across facilities to reduce electricity consumption.
- Upgrade to LED technology and utilize automatic lighting controls where feasible.

###### c. Optimizing Equipment Usage:

- Promote energy savings by implementing practices like switching off machines and equipment when not in use.
- Regroup or reposition activities to ensure lights are only on in areas with adequate activity, minimizing energy wastage.

###### d. Monitoring and Control of Auxiliary Equipment:

- Monitor energy usage of lighting and auxiliary equipment regularly.
- Implement controls and adjustments to optimize energy efficiency and reduce unnecessary consumption.

###### e. Employee Awareness and Engagement:

- Foster awareness among employees about the importance of energy conservation.
- Organize events such as Energy Conservation Week to educate and engage employees in energy-saving practices.

These initiatives aim to enhance energy efficiency, reduce operational costs, and contribute to Shanti Spintex's commitment to sustainability and environmental stewardship.

##### ii. the steps taken by the unit for utilizing alternate sources of energy:

The Company has taken significant steps towards alternate source of energy by installing a windmill of 2 MW capacity in Amreli, Gujarat and 852 kw rooftop solar plant at the existing manufacturing unit. These renewable energy sources help in reducing the dependency on conventional energy sources and contribute to environmental conservation.

iii. the capital investment on energy conservation equipment:

The Company has invested in solar and Wind energy in FY 2022-23, however during the year under review, the Company had not made any material capital investment on energy conservation equipment.

## TECHNOLOGY ABSORPTION

i. the efforts made towards technology absorption:

The company is dedicated to embracing 'technology-driven innovation' by consistently prioritizing the latest technological trends. It adopts upgraded technologies for advanced development through various initiatives aimed at keeping its employees informed about recent changes and technological advancements in their respective fields such as Banking, Finance, Accounts, Marketing, and Secretarial roles.

ii. the benefits derived as a result of above efforts:

By systematically absorbing and integrating new technologies, The Company enhances its operational efficiency, drive competitive advantage, and sustain long-term growth in the dynamic textile manufacturing industry.

iii. Details of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

|  |                |
|--|----------------|
| Details of Technology imported   | Not Applicable |
| Year of import   | Not Applicable |
| Whether the technology been fully absorbed   | Not Applicable |
| If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | Not Applicable |

iv. Expenditure incurred on Research and Development:

The Company has not incurred any specific expenditure on Research & Development during the year under review.

## FOREIGN EXCHANGE EARNINGS AND OUTGO AS AT MARCH 31, 2024

| Particulars               | F.Y 2023-24 | F.Y 2022-23 |
|---------------------------|-------------|-------------|
| Foreign exchange earnings | NIL         | NIL         |
| Foreign exchange Outgo    | NIL         | NIL         |

# ANNEXURE-D

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

*Report on Corporate Social Responsibility ("CSR") activities for the financial year 2023-24.*

### INTRODUCTION

At Shanti Spintex Limited, we recognize the importance of Corporate Social Responsibility (CSR) and are committed to integrating responsible and sustainable practices into our business operations. This report outlines our CSR activities and initiatives for the financial year 2023-2024.

### BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

The Company's CSR Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) and the CSR Rules (referred to as the Rules) issued by the Ministry of Corporate Affairs, Government of India, in 2014. This includes any statutory modifications or re-enactments thereof, currently in force, as amended from time to time.

The Company's CSR initiatives emphasize promoting education, philanthropic values, social health, and family welfare. Central to our CSR policy is the principle of giving back to the society from which we draw our resources. As a responsible corporate citizen, we support social and environmental causes, ensuring adherence to the spirit of law, ethical standards, and norms through a self-regulating mechanism. The Company's CSR policy is available on our website.

### CSR VISION AND MISSION

**Vision:** To create a positive impact on society and the environment through sustainable and ethical business practices.

**Mission:** To drive inclusive growth and development by focusing on education, health, environmental sustainability, and community welfare.

### CSR FOCUS AREAS

Our CSR initiatives emphasize promoting educational activities, such as informing the youth of India about the harmful effects of drugs. Additionally, we strive to inspire, motivate, and support drug addicts in overcoming addiction and avoiding the dangers of drug abuse. Our ultimate goal is to contribute to making India a drug-free nation. These projects align with Schedule VII of the Companies Act, 2013, and the Company's CSR policy.

### COMPOSITION OF CSR COMMITTEE AS ON MARCH 31, 2023

| Name of Director        | Designation                                | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|-------------------------|--|--|--|
| Bharatbhusan O. Agarwal | Chairman / Chairman & Whole Time Director  | 1  | 1  |
| Rikin B. Agarwal        | Member/Managing Director                   | 1  | 1  |
| Kruti Vyas              | Member/ Non-Executive Independent Director | 1  | 1  |

## KEY RESPONSIBILITIES OF CSR COMMITTEE

The Committee's key responsibilities include, among others:

- Regularly reviewing and approving the Company's CSR Policy, associated frameworks, processes, and practices, as well as the Charter, and proposing necessary changes.
- Ensuring the Company effectively implements CSR projects and fulfils its CSR obligations under relevant regulations. This includes overseeing the proper disclosure of CSR activities in the Directors' Report and other mandated disclosures.
- Identifying areas for CSR initiatives and recommending appropriate expenditure.
- Monitoring the Company's overall ESG (Environmental, Social, and Governance) performance, disclosure practices, strategies, goals, and objectives, while staying vigilant to emerging ESG risks and opportunities..

Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The CSR Policy is available on the Company's website at [www.shantispintex.com](http://www.shantispintex.com).

Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

## CSR CALCULATION & EXPENDITURE

| Particulars  | (in INR)          |  |
|--|-------------------|--|
|  | Amount            |  |
| Average net profit of the Company as per section 135(5) of the Companies Act, 2013                 | 45,229,996        |  |
| Two percent of average net profit of the Company as per Section 135(5) of the Act                  | 904,599.92        |  |
| Surplus arising out of the CSR projects or programs or activities of the previous financial years. | 0                 |  |
| Amount required to be set off for the financial year, if any                                       | 0                 |  |
| <b>Total CSR obligation for the financial year</b>   | <b>904,599.92</b> |  |
| <b>Amount spent on CSR Projects</b>  | <b>910,000.00</b> |  |
| Amount spent in Administrative Overheads   | 0                 |  |
| Amount spent on Impact Assessment, if applicable   | 0                 |  |
| <b>Total amount spent for the Financial Year</b>   | <b>910,000.00</b> |  |

## CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR

| Total Amount Spent for the Financial Year (In Rs.) | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|--|---|------------------|---|--------|------------------|
|  | Amount  | Date of Transfer | Name of Fund  | Amount | Date of Transfer |
| 910,000.00   | Not Applicable  |                  | Not Applicable  |        |                  |

## EXCESS AMOUNT FOR SET-OFF

| Particulars  | Amount     |
|--|------------|
| Two percent of average net profit of the Company as per Section 135(5) of the Act                  | 904,599.92 |
| Total amount spent for the Financial Year  | 910,000.00 |
| Excess amount spent for the Financial Year   | 5400.08    |
| Surplus arising out of the CSR projects or programs or activities of the previous financial years. | 0          |
| Amount available for set off in succeeding Financial Years   | 5400.08    |

*\* Note: the excess amounts spent during the F. Y. 2023-2024 i.e. Rs. 5400.08/-, remains surplus with Company to be set off in the upcoming Financial Years on such requirement, as may be decided by the CSR Committee and the Board from time to time.*

### Details of Unspent CSR amount for the preceding three financial years

Not Applicable

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Not Applicable

Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5)

Not Applicable

SD/-  
Bharatbhusan Agarwal  
Whole Time Director &  
Chairman of CSR Committee  
(DIN02435645)

Date: 12.08.2024

Place: Ahmedabad

## ANNEXURE-E

### FORM NO. AOC-2

*Pursuant to clause (h) of sub-section (3) of section 134 of The Companies Act, 2013 and rule 8(2) of The Companies (Accounts) Rules, 2014*

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

#### DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

| SL. No. | Particulars   | Details |
|---------|---|---------|
| a)      | Name (s) of the related party & nature of relationship  | NIL     |
| b)      | Nature of contracts/arrangements/transaction  |         |
| c)      | Duration of the contracts/arrangements/transaction  |         |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any                         |         |
| e)      | Justification for entering into such contracts or arrangements or transactions'                                   |         |
| f)      | Date of approval by the Board   |         |
| g)      | Amount paid as advances, if any   |         |
| h)      | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 |         |

#### DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

| SL. No. 1. | Particulars   | Details   |
|------------|---|---|
|            | Name (s) of the related party & nature of relationship                                    | Bharatbhushan O. Agarwal<br>Whole Time Director/CFO |
|            | Nature of contracts/arrangements/transaction  | Loan Paid Back                                      |
|            | Duration of the contracts/arrangements/transaction  | N.A.  |
|            | Salient terms of the contracts or arrangements or transaction including the value, if any | N.A.  |
|            | Amount (in Lakhs)   | 387.34  |
|            | Date of approval by the Board   | 31.05.2023  |
|            | Amount paid as advances, if any   | N.A.  |

| SL. No. 2. | Particulars   | Details                                  |
|------------|---|--|
|            | Name (s) of the related party & nature of relationship                                    | Urmiladevi B. Agarwal<br>Relative of KMP |
|            | Nature of contracts/arrangements/transaction  | Loan Taken and then Paid Back            |
|            | Duration of the contracts/arrangements/transaction  | N.A.                                     |
|            | Salient terms of the contracts or arrangements or transaction including the value, if any | N.A.                                     |
|            | Amount (in Lakhs)   | 147.00                                   |
|            | Date of approval by the Board   | 31.05.2023                               |
|            | Amount paid as advances, if any   | N.A.                                     |

| SL. No. 3. | Particulars   | Details  |
|------------|---|--|
|            | Name (s) of the related party & nature of relationship                                    | Rikin Chemical<br>Proprietorship of<br>Bharatbhushan Agarwal |
|            | Nature of contracts/arrangements/transaction  | Material Advance Given and Received Back                     |
|            | Duration of the contracts/arrangements/transaction  | N.A.   |
|            | Salient terms of the contracts or arrangements or transaction including the value, if any | N.A.   |
|            | Amount (in Lakhs)   | 0.72   |
|            | Date of approval by the Board   | 31.05.2023   |
|            | Amount paid as advances, if any   | N.A.   |

| SL. No. 4. | Particulars   | Details  |
|------------|---|--|
|            | Name (s) of the related party & nature of relationship                                    | Bharat Polyfab<br>Proprietorship of<br>Bharatbhushan Agarwal |
|            | Nature of contracts/arrangements/transaction  | Purchases  |
|            | Duration of the contracts/arrangements/transaction  | N.A.   |
|            | Salient terms of the contracts or arrangements or transaction including the value, if any | N.A.   |
|            | Amount (in Lakhs)   | 1216.22  |
|            | Date of approval by the Board   | 31.05.2023   |
|            | Amount paid as advances, if any   | N.A.   |

By Order of the Board of Directors  
For Shanti Spintex Limited

SD/-

BHARATBHUSAN O AGARWAL  
Whole Time Director & CFO  
(DIN 00302785)

SD/-

RIKIN B AGARWAL  
Managing Director  
(DIN02435645)

Date: 12.082024  
Place: Ahmedabad



# ANNEXURE-F

## SECRETARIAL AUDIT REPORT

*Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

To,  
The Members  
SHANTI SPINTEX LIMITED  
(Formerly Known as SHANTI SPINTEX PRIVATE LIMITED)  
CIN: L17120GJ2010PLC062084  
ISIN: INE0QZQ01019  
Scrip Code: 544059  
Stock Exchange: BSE -SME (Bombay Stock Exchange- Small and Medium Enterprise)

Registered Office: Sub Plot 1, Unit 1, Survey No. 297, Dholi - Integrated Spinning Park Limited, Dholi, Dholka, Ahmedabad, Gujarat, India- 382240

Corporate Office: A-1601, Navratna Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad, Daskroi, Gujarat, India-380058

We, HDS & Associates, Practicing Company Secretaries @ Ahmedabad, Gujarat have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHANTI SPINTEX LIMITED (Formerly Known as SHANTI SPINTEX PRIVATE LIMITED) vide CIN: L17120GJ2010PLC062084 (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also state 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, HDS & Associates, Practicing Company Secretaries @ Ahmedabad, Gujarat have examined the books, papers, minute books, forms and returns filed and other records maintained by SHANTI SPINTEX LIMITED (Formerly Known as SHANTI SPINTEX PRIVATE LIMITED) for the financial year ended on 31st 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 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;- Not applicable to the company during the audit period
  - (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;- the Company has come up with the Initial Public offer to list its Securities on the SME board of Bombay Stock Exchanges (BSE-India) the same was approved by the members of the Company in their Extra ordinary General Meeting held on 31<sup>st</sup> day of August, 2023.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;/securities and exchange board of India (share based employee benefits) regulations,2014;-Not applicable to the company during the audit period
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- Not applicable to the company during the Audit Period
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;- Not applicable to the Company during the audit period
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- Not applicable to the Company during the Audit Period
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015-

vi. Other laws applicable specifically to the company.

The management represent that there are no laws specifically applicable to the company which requires reporting.

We HDS & Associates, Practicing Company Secretaries @ Ahmedabad, Gujarat have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with the Stock exchanges in India including Agreement entered in pursuance to securities and exchange board of India (Listing obligations and disclosure requirements) regulations,2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- During the reporting period we have found that no penalties have been imposed on the Company by the Stock exchange for the Late Submission / non-Compliances of the Compliances as per SEBI(LODR)Regulations, 2015.

Date: 02-07-2024  
Place: Ahmedabad

For HDS& Associates  
(Practicing Company Secretaries)  
Cop. No: 17840  
Sd/-

CS Heti R. Gandhi  
(Proprietor)  
M. No. F11884  
Pr. No. 1507/2021  
UDIN: F011884F000651831

(This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.)

To,  
The Members  
SHANTI SPINTEX LIMITED  
(Formerly Known as SHANTI SPINTEX PRIVATE LIMITED)  
CIN: L17120GJ2010PLC062084  
ISIN: INE0QZQ01019  
Scrip Code: 544059  
Stock Exchange: BSE -SME (Bombay Stock Exchange- Small and Medium Enterprise)  
Our report of even date is to be read along with this letter.

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

Date: 02-07-2024  
Place: Ahmedabad

For HDS& Associates  
(Practicing Company Secretaries)  
Cop. No: 17840  
SD/-

CS Heti R. Gandhi  
(Proprietor)  
M. No. F11884  
Pr. No. 1507/2021  
UDIN: F011884F000651831

\*\*\*\*\*

Received & Accepted by the Company  
For SHANTI SPINTEX LIMITED

SD/-

BHARAT BHUSHAN OMPRAKASHAGARWAL  
(Director)

# ANNEXURE-G

## DISCLOSURE OF REMUNERATION

Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details pertaining to remuneration as required under section 197(12) of The Companies Act, 2013, Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies (Appointment And Remuneration Of Managerial Personnel) Amendments Rules, 2016

Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2023-24:

| Name of the Director  | Category                  | Ratio  |
|-----------------------|---------------------------|--------|
| Rikin B. Agarwal      | Managing Director         | 4.58:1 |
| Bharatbhushan Agarwal | Whole Time Director & CFO | Nil    |
| Bhavik Talati         | Non-Executive Director    | 1.96:1 |

*Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.*

The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the F.Y 2023-24:

| Name of the Director  | Category                  | %   |
|-----------------------|---------------------------|-----|
| Rikin B. Agarwal      | Managing Director         | 100 |
| Bharatbhushan Agarwal | Whole Time Director & CFO | Nil |
| Mohini Singhal        | Company Secretary         | N.A |

The median remuneration of the employees of the Company as on 31st March, 2024 was Rs. 2,62,080.00 per year.

The percentage increase in the median remuneration of employees in the financial year

Not applicable as this provision was not applicable to the Company last year.

The number of permanent employees on the rolls of the company: 82

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

Not applicable as this provision was not applicable to the Company last year

Affirmation that the remuneration is as per the remuneration policy of the company

We affirm that the remuneration is as per the remuneration policy of the company.

## INDEPENDENT AUDITORS' REPORT

UDIN: 24016613BJZYK5736

**TO,  
THE MEMBERS OF SHANTI SPINTEX LIMITED  
Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of **SHANTI SPINTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the statement of Profit and Loss, Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2024**, and its Profit and other comprehensive income and cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Emphasis of Matters**

Our report is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. In our opinion there is no Key Audit Matter to be reported.

**Other Information (or another title if appropriate, such as "Information Other than the Standalone Financial Statements and Auditors' Report Thereon")**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Those Board of Directors are also 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 scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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.

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 the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India, in terms of sub section 11 of section 143 of the companies Act, 2013 in Our opinion and according to the information and explanation given to us, the details of the said Order specified in paragraph 3 and 4 of the order are given to the extent applicable in Annexure A to this Report.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31/03/2024 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2024 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, we give report of the same in Annexure B to this Report.

- (g) Based on our examination, the company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that no audit trail enabled at the database level for accounting software Tally Prime to log any direct data changes.”  
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 requirement for record retention is not applicable for the Financial year ended March 31, 2024.
- (h) 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, remuneration has been paid by the Company to its directors during the year in compliance of the provisions of section 197 of the Act.
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note No. 37 & No. 43.14)
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise.
  - iv. **a)** The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”) with the understanding. Whether recorded in writing or otherwise. that the intermediary shall :
    - i) Directly or indirectly lend or invest in other persons or entities identified  
In any manner whatsoever (‘Ultimate Beneficiaries’) by or on behalf of the Company or
    - ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**b)** The management has represented that to the best of its knowledge and belief, no Funds have been received by the Company from any persons or entities including foreign entities (Funding Parties). With the understanding, whether recorded in writing or otherwise that the Company shall:

i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ('Ultimate Beneficiaries') by or on behalf of the Funding Party or

ii) Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries and

**c)** Based on such audit procedures as considered reasonable and appropriate in the circumstances. Nothing has come to our notice that has caused us to believe that the representations made in sub clause 4(a) and 4(b) above contain any material misstatement.

**d)** According to the information and explanations given to us the Company has not declared or paid dividend during the year.

Date : 13.05.2024  
Place : Ahmedabad

FOR ANIL S SHAH & CO.  
(Chartered Accountants)  
F.R.N. : 10047W

(CA ANIL S SHAH)  
Partner  
M.No. : 016613  
UDIN: 24016613BJZYK5736

Annexure – “A ” to the Independent Auditor’s report on the standalone financial statements of SHANTI SPINTEX LIMITED for the year ended 31<sup>st</sup> March, 2024

**(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

**(i) (a) (A)** The company has maintained proper records showing full particulars including quantitative details and situation of its Property, plant and equipment.

**(B)** According to the information and explanations given to us the Company do not have any Intangible Assets.

**(b)** According to the information and explanations given to us and on the basis of our examination of the records of the Company. In our opinion, this periodicity of physical verification of its property, plant and equipment. Is reasonable having regard to size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

**(c)** According to the information and explanations given to us and on the basis of our examination of the records of the Company. The title deeds of the immovable properties (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favor of lessee) disclosed in the financial statements are held in the name of the Company.

**(d)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property plant and equipment during the year.

**(e)** According to the information and explanation given to us, No proceedings have been initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**(ii) (a)** The inventory has been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

**(b)** According to the information and explanations given to us on the basis of our examination of the records of the Company. The Company is not in receipt of any working capital loan during the reporting period hence reporting under the said clause is not applicable.

**(iii).** According to the information and explanations given to us, during the year the Company has neither made investments in, or provided guarantee or

security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties covered and hence reporting under clause 3(iii)(a) to clause 3 (iii)(d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us, the Company has not directly or indirectly advanced any loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act. The Company has not made any loans, guarantees and securities and investments anytime during the year hence the provisions of the Section 186 are not applicable. Therefore, reporting under 3(iv) of the Order is not applicable to the Company.

(f) The Company has not granted any loans during the year which is either repayable on demand or without specifying any terms or period of repayment. Hence reporting under clause 3(iii) (f) of the order is not applicable.

**(v)** The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly clause 3(v) of the order is not applicable.

**(vi)** Pursuant to the rules made by the Central government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act. We have broadly review the same and are of the opinion that prima facie, the prescribe accounts and records have been made and maintained. However, we have not made detailed examination of the cost records with a view to determine whether they are accurate or complete.

**(vii) (a)** According to information and explanations given to us and based on our examination of records of the Company has been generally regular in depositing the undisputed statutory dues including Goods and Service Tax, Provident Fund, Investor education fund , employee state insurance, income tax and any other material statutory dues applicable to it with the appropriate authorities.

According to information and explanation given to there is no undisputed statutory tax payable outstanding as at March, 2024 for a period of more than Six Months from the date of they become payable.

(b) According to information and explanations given to us there are no dues of Goods and Service Tax, Provident Fund, Investor education fund , employee state insurance income tax and any other material statutory dues which have not been deposited by the Company on account of dispute except given below :

| Name of the Statue    | Nature of Dues        | Financial Year. | Amount | Forum where dispute is Pending |
|-----------------------|-----------------------|-----------------|--------|--------------------------------|
| Income Tax Act., 1961 | Income Tax & Interest | 2021-22         | 677862 | CIT-(A)                        |

**(viii)** According to the information and explanations given by the management, No transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

**(ix) (a)** According to the information and explanations and on the basis of our examination of the records of the Company, the Company has not defaulted from any loans or borrowings from any lender during the year.

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

**(c)** According to the information and explanations given to us by the management, the Company has applied the funds of the term loan for the purpose for which it was obtained.

**(d)** According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short term basis for long term basis by the Company. Accordingly clause 3(ix) (d) of the Order is not applicable.

**(e)** According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix) (e) of the order is not applicable.

**(f)** According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly clause 3(ix) (f) of the Order is not applicable.

**(x) (a)** During the year the Company has raised moneys by way of Initial Public Offer and as per the informations and explanations given to us, in our opinion , the Company has utilised the money raised by way of Initial Public offer during the year for the purpose for which they were raised.

**(b)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly clause 3(x) (b) of the order is not applicable.

**(xi) (a)** Based on examination of the books and records of the Company and according to the information and explanations given to us, considering principles of materiality outlined in the Standards on Auditing. We report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit during the year.

**(b)** According to the information and explanations given to us, no report under subsection (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

**(c)** We have not received any information about Whistle Blower Complaints from the Company.

**(xii) (a)** According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

**(xiii)** In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with the Section 177 and 188 of the Companies Act, 2013 where applicable, and the details of the related party transactions have been disclosed in the Standalone financial statements as required by the applicable Indian Accounting Standards.

**(xiv)** In our opinion, the Company has an internal audit system commensurate with the size and nature of its business of the Company. We have considered the report of internal auditor for the period under audit received till the date of this report.

**(xv)** In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

**(xvi) (a)** The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly clause 3(xv) (a) of the order is not applicable.

**(b)** The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly clause 3(xvi) (b) of the Order is not applicable.

**(c)** The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly clause 3(xvi) (c) of the Order is not applicable.

**(d)** According to the information and explanations provided to us during the course audit, the Group does not have any CIC. Accordingly the requirements of the clause 3(xv) (d) are not applicable.

**(xvii)** The Company has not incurred cash losses in the current and in the immediately preceding financial year:

**(xviii)** There has been no resignation of the statutory auditors during the year. Accordingly clause 3(xviii) of the order is not applicable.

**(xix)** According to the information and explanations given to us and on the basis of the financial ratios, aging and expected dates of realisation of financial

assets and payment of the financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and managements 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 audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**(xx)** According to the information and explanation given to us and the record of the company examined by us, there were no unspent amount required to be transferred to special amount as required by section 135 of the Companies Act, 2013. Accordingly, provisions of sub clause (a) and (b) of clause (xx) of the company's (Auditor's report) order, 2020 are not applicable to the company.

**Date : 13.05.2024**  
**Place : Ahmedabad**

**FOR ANIL S SHAH & CO.**  
**(Chartered Accountants)**  
**F.R.N. : 100474W**

**(CA ANIL S SHAH)**  
**Partner**  
**M. No. : 016613**  
UDIN: 24016613BJZYK5736



## Annexure - 'B'

To the Independent Auditors' Report to the members of SHANTI SPINTEX LIMITED for the year ended 31<sup>st</sup> March, 2024 on the financial statements

( Referred to in paragraph 2(F) under ' Report on Other Legal and Regulatory Requirements ' section of our report of even date)

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

We have audited the internal financial controls over standalone financial reporting of SHANTI SPINTEX PRIVATE LIMITED as at 31st March, 2024 in conjunction with our audit of financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 ,to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 internal control based on the assessed risk. The procedures selected depend on the auditor's judgment ,including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

### **Opinion**

In our opinion, 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 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Date : 13.05.2024**  
**Place : Ahmedabad**

**FOR ANIL S SHAH & CO.**  
**(Chartered Accountants)**  
**F.R.N. : 100474W**

**(CA ANIL S SHAH)**  
**Partner**

**M.No. : 016613**  
UDIN: 24016613BJZYK5736

**SHANTI SPINTEX LIMITED**

Sub Plot 1, Unit 1, Survey No. 297, Dholi Integrated Spinning Park Limited, Dholi, Dholka Ahmedabad -382240, Gujarat

CIN:L17120GJ2010PLC062084

**BALANCE SHEET AS ON 31st March,2024**

| Particulars   | Note No. | Rs in Lakhs           |                       |
|---|----------|-----------------------|-----------------------|
|   |          | As at 31st March,2024 | As at 31st March,2023 |
| <b>A EQUITY AND LIABILITIES</b>   |          |                       |                       |
| <b>1 Shareholders' Funds</b>  |          |                       |                       |
| (a) Share Capital   | 3        | 1688.80               | 710.00                |
| (b) Reserves and Surplus  | 4        | 6967.98               | 4899.70               |
| (c) Money received against share warrants                                       |          |                       |                       |
| 2 Share application money pending allotment                                     |          | .00                   | .00                   |
| <b>3 Non-Current Liabilities</b>  |          |                       |                       |
| (a) Long-Term Borrowings  | 5        | 1447.74               | 3063.29               |
| (b) Deffered tax liabilities (net)  | 14       | 873.37                | 738.16                |
| (c) Other Long-Term Liabilities   | 6        | 87.42                 | 20.69                 |
| (d) Long-term provisions  | 7        | 7.53                  | 7.29                  |
| <b>4 Current Liabilities</b>  |          |                       |                       |
| (a) Short-Term Borrowings   | 8        | 773.64                | 1114.37               |
| (b) Trade Payables  | 9        | 7124.09               | 6665.65               |
| (i) Total outstanding dues of micro and small enterprises                       |          | 145.38                | .00                   |
| (ii) Total outstanding dues of Creditors other than micro and small enterprises |          | 6978.71               | 6665.65               |
| (c) Other Current Liabilities   | 10       | 62.20                 | 98.52                 |
| (d) Short-term provisions   | 11       | 366.74                | 270.67                |
| <b>TOTAL</b>  |          | <b>19399.51</b>       | <b>17588.33</b>       |
| <b>B ASSETS</b>   |          |                       |                       |
| <b>1 Non-Current Assets</b>   |          |                       |                       |
| (a) Property, Plant & Equipment and Intangible assets                           |          |                       |                       |
| (i) Property, Plant & Equipment   | 12       | 6732.47               | 6415.21               |
| (ii) Intangible Assets  |          | .00                   | .00                   |
| (iii) Capital Work in Progress  | 12(a)    | .00                   | .00                   |
| (iv) Intangible assets under development  |          |                       |                       |
| (b) Non-Current Investments   | 13       | .00                   | 200.00                |
| (c) Deferred Tax Assets (net)   | 14       |                       |                       |
| (d) Long-Term Loans and Advances  | 15       | .00                   | .00                   |
| (e) Other non-current assets  | 16       | 159.21                | 182.88                |
| <b>2 Current Assets</b>   |          |                       |                       |
| (a) Current investments   | 17       | .00                   | .00                   |
| (b) Inventories   | 18       | 1849.42               | 1885.47               |
| (c) Trade Receivables   | 19       | 8969.39               | 6753.12               |
| (d) Cash and Bank Balances  | 20       | 503.24                | 484.69                |
| (e) Short-Term Loans and Advances   | 21       | 1138.19               | 1634.59               |
| (f) Other current assets  | 22       | 47.58                 | 32.38                 |
| <b>TOTAL</b>  |          | <b>19399.51</b>       | <b>17588.33</b>       |

The Schedules referred to above are an integral part of Profit & Loss Significant Accounting Policies and Notes on Accounts as Note "1 to 44"

As per our report of even date,  
UDIN: 24016613BJZYK5736  
For M/s ANIL SHAH & CO.  
Chartered Accountants  
FRN : 100474W

For and on behalf of the Board

Anil Shah  
Partner  
Membership No : 016613  
Place : Ahmedabad  
Date: 13.05.2024  
UDIN: 24016613BJZYK5736

Bharatbhusan Agarwal  
Whole Time Director & CFO  
DIN: 302785

Rikin Agarwal  
Managing Director  
DIN: 2435645

Place : Ahmedabad  
Date: 13.05.2024

Mohini Singhal  
Company Secretary  
Membership No. A47724

# SHANTI SPINTEX LIMITED

Sub Plot 1. Unit 1, Survey No. 297, Dholi Integrated Spinning Park Limited, Dholi, Dholka Ahmedabad -382240, Gujarat

CIN:L17120GJ2010PLC062084

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING ON 31st March,2024

| Particulars   | Note No. | Rs in Lakhs                 |                             |
|---|----------|-----------------------------|-----------------------------|
|   |          | Year Ended<br>March 31,2024 | Year Ended<br>March 31,2023 |
| <b>A CONTINUING OPERATIONS</b>  |          |                             |                             |
| 1 Revenue from Operations   | 23       | 50583.06                    | 37033.22                    |
| 2 Other Income  | 24       | 125.46                      | 38.05                       |
| <b>Total Income</b>   |          | <b>50708.52</b>             | <b>37071.27</b>             |
| <b>3 Expenses</b>   |          |                             |                             |
| (a) Cost of materials consumed  | 25       | 45659.71                    | 33289.08                    |
| (b) Purchases of Stock-in-trade   | 26       | .00                         | .00                         |
| (c) Changes in inventories of finished goods, work-in-progress and stock in trade |          | 76.55                       | -1072.89                    |
| (d) Manufacturing Expenses  | 26.1     | 1901.31                     | 1977.16                     |
| (e) Employee Benefits Expense   | 27       | 218.58                      | 254.82                      |
| (f) Finance Costs   | 28       | 322.60                      | 337.38                      |
| (g) Depreciation & Amortisation Expense   | 12       | 477.10                      | 451.55                      |
| (h) Other Expenses  | 29       | 262.93                      | 420.29                      |
| <b>Total Expenses</b>   |          | <b>48918.79</b>             | <b>36730.27</b>             |
| 4 Profit / (Loss) before exceptional and extraordinary items & tax                |          | 1789.74                     | 1413.88                     |
| 5 Exceptional Items   |          | .00                         | .00                         |
| 6 Profit / (Loss) before extraordinary items & tax                                |          | 1789.74                     | 1413.88                     |
| 7 Extraordinary Items   |          | .00                         | .00                         |
| 8 Profit / (Loss) before tax  |          | 1789.74                     | 1413.88                     |
| <b>9 Tax Expense :</b>  |          |                             |                             |
| Current Tax   |          | 348.00                      | 255.73                      |
| Deferred Tax  |          | 135.21                      | 140.24                      |
| Tax adujstment of Earlier Years   |          | 4.77                        | 5.11                        |
| Net Tax Expense   |          | <b>487.99</b>               | <b>401.08</b>               |
| <b>10 Profit/ (Loss) from continuing operations for the Year</b>                  |          | <b>1301.75</b>              | <b>1012.80</b>              |
| Profit/(loss) from discontinuing operations                                       |          | .00                         | .00                         |
| Tax expense of discontinuing operations   |          | .00                         | .00                         |
| Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)                |          | .00                         | .00                         |
| Profit/ (Loss) after tax (XI + XIV)   |          | <b>1301.75</b>              | <b>1012.80</b>              |
| <b>Earnings Per Equity Share (F. V. of ₹ 10/- each) :</b>                         |          |                             |                             |
| Basic and Diluted (in ₹)  | 32       |                             |                             |
| 1) Basic  |          | <b>8.71</b>                 | <b>7.13</b>                 |
| 2) Diluted  |          | <b>8.71</b>                 | <b>7.13</b>                 |

The Schedules referred to above are an integral part of Profit & Loss  
Significant Accounting Policies and Notes on Accounts as Note "1 to 44 "

As per our report of even date,  
UDIN: 24016613BJZYK5736  
For M/s ANIL SHAH & CO.  
Chartered Accountants  
FRN : 100474W

|                           |                   |
|---------------------------|-------------------|
| Bharatbhushan Agarwal     | Rikin Agarwal     |
| Whole Time Director & CFO | Managing Director |
| DIN: 302785               | DIN: 2435645      |

Anil Shah  
Partner  
Membership No : 016613  
Place : Ahmedabad  
Date: 13.05.2024  
UDIN: 24016613BJZYK5736

Mohini Singhal  
Company Secretary  
Membership No. A47724

Place : Ahmedabad  
Date: 13.05.2024

# SHANTI SPINTEX LIMITED

Sub Plot 1. Unit 1, Survey No. 297, Dholi Integrated Spinning Park Limited, Dholi, Dholka Ahmedabad -382240, Gujarat

**CIN:L17120GJ2010PLC062084**

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st March,2024

| Particulars   | Amount in Lakhs             |                             |
|---|-----------------------------|-----------------------------|
|   | Year Ended<br>March 31,2024 | Year Ended<br>March 31,2023 |
| <b>A. <u>Cash Flow from Operating Activities</u></b>            |                             |                             |
| Net Profit Before Tax   | 1789.74                     | 1413.88                     |
| <u>Adjustments for :</u>  |                             |                             |
| Depreciation and amortisation expense                           | 477.10                      | 451.55                      |
| Interest expenses   | 322.60                      | 337.38                      |
| Interest and other income on investments                        | -9.71                       | -5.84                       |
| Gain on Redumption of Mutual Fund                               | -99.07                      | .00                         |
| <b>Operating Profit Before Working Capital Changes</b>          | <b>2480.65</b>              | <b>2196.97</b>              |
| <u>Changes in Working Capital :</u>                             |                             |                             |
| (Increase)/ Decrease in Inventories                             | 36.05                       | -1196.65                    |
| (Increase)/ Decrease in Trade Receivables                       | -2216.27                    | -1742.77                    |
| (Increase)/ Decrease in Advances                                | 496.41                      | -989.18                     |
| Increase / (Decrease) in Trade Payables                         | 458.45                      | 3364.99                     |
| Increase / (Decrease) in Short Term Provisions                  | 96.07                       | 212.45                      |
| Increase / (Decrease) in Other Current Liabilities              | -36.32                      | 50.40                       |
| (Increase) / Decrease in Other Current Assets                   | -15.20                      | -32.38                      |
| (Increase) / Decrease in Other Non- Current Assets              | 23.66                       | 3.92                        |
| Increase / (Decrease) in Short Term Borrowings                  | -340.73                     | 183.11                      |
| Increase / (Decrease) in Other Long Term Liabilities            | 66.73                       | -100.87                     |
|   | <b>-1431.17</b>             | <b>-246.96</b>              |
| Less: Adjustment for Taxes                                      |                             |                             |
| Direct Taxes Paid   | <b>348.00</b>               | <b>255.73</b>               |
| Tax adjustment for Earlier Year                                 | <b>4.77</b>                 | <b>5.11</b>                 |
| Deffered tax Asset/ Liabilities                                 |                             |                             |
|   | <b>352.77</b>               | <b>260.84</b>               |
| <b>Net Cash flow from / (used in) Operating Activities</b>      | <b>696.71</b>               | <b>1689.17</b>              |
| <b>B. <u>Cash Flow from Investing Activities</u></b>            |                             |                             |
| Aquisition of Property Plant and Equipment                      | -794.37                     | -1460.42                    |
| Interest Received   | 9.71                        | 5.84                        |
| Redemption of Mutual Fund                                       | 299.07                      | .00                         |
| <b>Net Cash from / (used in) Investing Activities</b>           | <b>-485.59</b>              | <b>-1454.58</b>             |
| <b>C. <u>Cash Flow from Financing Activities</u></b>            |                             |                             |
| Proceeds from IPO of Equity Shares                              | 268.80                      | .00                         |
| Share Premium on Issue of IPO                                   | 1612.80                     | .00                         |
| Payment of IPO related Expences                                 | -136.28                     |                             |
| Decrease in Long Term Borrowings                                | -1615.55                    | -874.09                     |
| Decrease in Long Term Loans and Advances                        | .24                         | 1147.76                     |
| Interest expenses   | -322.60                     | -337.38                     |
| <b>Net Cash from / (used in) Financing Activities</b>           | <b>-192.58</b>              | <b>-63.71</b>               |
| Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)    | 18.55                       | 170.88                      |
| Cash & Cash Equivalents at beginning of the year                | 484.69                      | 313.81                      |
| <b>Cash &amp; Cash Equivalents at end of the year</b>           | <b>503.24</b>               | <b>484.69</b>               |
| <b>Cash and cash equivalents includes the following Amounts</b> |                             |                             |
| <b>Cash on hand</b>   | <b>.12</b>                  | <b>.07</b>                  |
| <b>Balance with Bank</b>  |                             |                             |
| - In Current Account  | <b>267.34</b>               | <b>476.83</b>               |
| - In Fixed Deposit  | <b>235.78</b>               | <b>7.79</b>                 |
| <b>TOTAL</b>  | <b>503.24</b>               | <b>484.69</b>               |

Note :1 Statement of Cash Flow has been prepared under the indirect method as set out AS 3 on "Statement of Cash Flows" specified under section 133 of the Companies Act,2013 read with rule 7 of the Compnies (Accounts) Rules,2014.

Note:2 Figures in bracket indicated cash outflow

The Schedules referred to above are an integral part of Profit & Loss  
Significant Accounting Policies and Notes on Accounts as Note "1 to 44 "

As per our report of even date,  
UDIN: 24016613BJZYK5736  
For M/s ANIL SHAH & CO.  
Chartered Accountants  
FRN : 100474W

For and on behalf of the Board

Anil Shah  
Partner  
Membership No : 016613  
Place : Ahmedabad  
Date: 13.05.2024  
UDIN: 24016613BJZYK5736

Bharatbhusan Agarwal  
Whole Time Director & CFO  
DIN: 302785

Rikin Agarwal  
Managing Director  
DIN: 2435645

Place : Ahmedabad  
Date: 13.05.2024

Mohini Singhal  
Company Secretary  
Membership No. A47724

**SHANTI SPINTEX LIMITED**  
**CIN: L17120GJ2010PLC062084**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2024**

**NOTE NO: 1: COMPANY INFORMATION**

The company was incorporated as private limited company on 23/08/2010 under the Companies Act, 1956, and converted in to public limited company on 18.08.2023 and Company's equity share are listed on SME emerge platform of BSE with effect from 27th December 2023. The company was primarily engaged in trading of textile products, and has successfully implemented denim weaving plant since 2016-17, at Block No. 297, admeasuring 8660 Sq.Mtrs. on lease hold land from M/s. Dholi Integrated Spinning Park Ltd. Weaving Project phase -1 and phase -2 , at Dholi Integrated Spinning Park, Village Dholi, TA : Dholka, Dist.: Ahmedabad.

**NOTE NO: 2: SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of Financial Statements:-**

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.

**2.2 Disclosure of Accounting Policies:-**

The Accounting Principles and policies recognized as appropriate for measurement and reporting of the financial performance and the financial position on mercantile system and recognize items of income and expenditure on accrual basis. The statement on Significant Accounting policy excludes disclosures regarding Accounting Standards in respect of which there are no material transactions during year.

**2.3 Revenue recognition:-**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured. Commission/adat Income has been recognized on accrual basis.

**2.4 Valuation of Inventories:-**

Inventories are measured at cost and net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Cost in respect of raw materials and stock in trade are determined on FIFO basis. Costs in respect of all other Inventories are computed on weighted average basis method. Finished goods and process stock include cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

**2.5 Property Plant & Equipment and Capital Work in Progress :-**

a) Fixed assets are stated at cost of acquisition or construction. All cost relating to the acquisition and installation of fixed assets (Net of CENVAT/VAT/gst credits where ever applicable) are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date of asset is put to use and adjustment arising out of exchange rate variation relating to liabilities attributable to those fixed assets.

b) Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in progress. Work-in progress excludes expenditure pending for capitalization..

## 2.6 **Depreciation :-**

**Depreciation of Property, Plant and Equipment** Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately on straight-line method. Parts of plant and equipment that are technically advised to be replaced at prescribed intervals / periods of operation, insurance spares and cost of inspection/ overhauling are depreciated separately based on their specific useful life provided these are of significant amounts. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. Depreciable amount of an item of property, plant and equipment is arrived at after deducting estimated residual value. The depreciable amount of an asset is allocated on a systematic basis over its useful life. The Company reviews the residual value and useful life at each financial year-end and, if expectations differ from previous estimates, the residual value and useful lives are changed prospectively and accounted for as a change in accounting estimate. Depreciation commences when the item of property, plant and equipment is in the location and condition necessary for it to be capable of operating in the manner intended by management.

## 2.7 **Leases:-**

At inception of contract, the Company assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative standalone price.

### **As a lessee**

#### **i) Right-of-use assets**

The Company recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right- of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

#### **ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company presents lease liabilities under financial liabilities in the Balance Sheet.

#### **iii) Short term leases and leases of low value of assets**

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low- value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### **As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## **2.8 Employee Benefits**

### **Short Term Employee Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months as at the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period.

### **Other Long Term Employee Benefits**

The known liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

### **Post Employment Benefits**

- **Defined Benefit Plans**

The known liability, if any, recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. If any liability in a financial year it is charged to Statement of Profit and Loss account. The defined benefit obligation if any, is calculated annually by Actuaries using the projected unit credit method. In other cases, such expenditure are charged to Statement of Profit and Loss Account considering it as Short Term Benefits when it is crystalizes.

- **Defined Contribution Plan**

Defined contributions, if any, to Statutory Schemes are charged to the statement of profit and loss of the year.

### **Termination Benefit**

Expenditure incurred on Voluntary Retirement Scheme is charged to the statement of profit and loss immediately.

## **2.9 Government Grants**

Assistance by government in the form of transfers of resources to the Company in return for past or future compliance with certain conditions relating to operating activities of the entity other than those which cannot reasonably have a value placed upon them or those that cannot be distinguished from normal trading transactions of the Company are termed as government grants. All government grants are identified as either relating to assets or relating to income. Government grants whose primary condition is that a Company qualifying for them should purchase, construct or otherwise acquire long-term assets are identified as grants related to assets. Grants other than those related to assets are identified as related to income. Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be



received. A forgivable loan from government is treated as a government grant when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan. The Company recognises Government grants in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet as deferred income. Deferred income is recognised in profit or loss on the basis the related assets are depreciated or amortised if they are related to asset or under other income when the grant becomes receivable. Grants related to income are presented in profit or loss under other income. Grants received in advance before fulfilment of conditions are recognised as Other Liability classified into current or non-current, as appropriate in the circumstances of the case.

## **2.10 Borrowing Costs**

Interest and other costs that the Company incurs in connection with the borrowing of funds are identified as borrowing costs. The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which it is incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. The Company identifies the borrowings into specific borrowings and general borrowings. Specific borrowings are borrowings that are specifically taken for the purpose of obtaining a qualifying asset. General borrowings include all other borrowings except the amount outstanding as on the balance sheet date of specific borrowings for assets that are not yet ready for use. Borrowing cost incurred actually

## **2.11 Accounting for Investments:-**

Investment, that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

## **2.12 Taxes on Income:-**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, on timing differences, being the Difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods, if any.

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during specified period. In the year in which the MAT credit becomes eligible, to be recognized as an asset. In accordance with recommendation contained in the guidance note issued by ICAI, said asset is created by way of credit/reversal of provisions to Profit and Loss A/c and shown as MAT Credit Entitlements in Loans and Advances. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unabsorbed losses and tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and tax credits will be utilised. The carrying amount of deferred tax assets is reviewed at the end of financial year 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which

the liability is expected to be settled or the asset realised, based on tax rates and tax laws that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**2.13 Contingencies and Events occurring after Balance sheet date:-**

Material Events occurring after Balance sheet date are taken into cognizance. There have been no material changes or events since the date of balance sheet affecting financial statements as on the Balance sheet date. Further, the dates of Balance sheet, no events or circumstances have occurred, through properly excluded from the accounts, are of such importance that they should be disclosed through any medium.

**2.14 Preliminary Expenditure:-**

Preliminary Expenditure is to be apportioned in five equal installments, commencing from the year in which operation has commenced.

**2.15 Preoperative Expenses:-**

As regards in direct expenditure on project implementation/ construction, are treated as preoperative expenditure pending allocation to fixed assets in progress and is shown as "Preoperative Expenses" under "Other Non Current Assets". The same is transferred to fixed assets on progressive basis and is capitalized along with fixed assets on commencement of commercial activities on pro-rata basis to respective assets.

**2.16 Earnings per Share**

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. (Refer Note 34)

**2.17 Provisions:-**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an out flow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determine based on best estimate required to settle the obligations at the balance sheet date these are review at each balance sheet date and adjusted to reflect the best estimates.

**2.18 Contingent Liabilities:-**

Contingent Liabilities are determined on the basis of available information and explanations given to us and are disclosed by way of note to the accounts, if any.

**SHANTI SPINTEX LIMITED**  
CIN:L17120GJ2010PLC062084  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| <b>Note : 3 SHARE CAPITAL</b>   | <b>31/03/2024</b>  |              | <b>31/03/2023</b>               |              |
|---|--|--------------|---------------------------------|--------------|
|   | No. of Shares  | Amounts      | No. of Shares                   | Amounts      |
|   | Amounts in Lakhs   |              |                                 |              |
| (a) Authorised :  |  |              |                                 |              |
| Equity Shares of ₹10/- each with voting rights  | 20,000,000   | 2000.00      | 10,000,000                      | 1000.00      |
| (b) Issued, Subscribed & Fully paid-up :  |  |              |                                 |              |
| Equity Shares of ₹10/- each with voting rights  | 16,888,000   | 1688.80      | 7,100,000                       | 710.00       |
|   | 16,888,000   | 1688.80      | 7,100,000                       | 710.00       |
| The Authorised Share Capital of the Company has been raised from Rs.10 crores consisting of 100,00,000 Equity shares of Rs. 10 ,up to Rs, 20 crores consisting of 200,00,000 Equity shares of Rs. 10 each with the approval of Shareholders in their meeting held on 20th June, 2023. |  |              |                                 |              |
| (a) <b>Terms / Rights attached to Equity Shares</b>   | The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class. |              |                                 |              |
| In the event of liquidation of the Company, Equity Shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.      |  |              |                                 |              |
| (b) <b>Details of Shareholders holding more than 5 % (percent) shares in the Company</b>  | <b>31/03/2024</b>  |              | <b>31/03/2023</b>               |              |
|   | No. of Shares  | % of Holding | No. of Shares                   | % of Holding |
| Equity Shares of ₹ 10 each fully paid-up  |  |              |                                 |              |
| <b>Name of the Shareholders</b>   |  |              |                                 |              |
| 1. Bharatbhushan O. Agarwal   | 3,033,800  | 17.96%       | 1,516,900                       | 21.36%       |
| 2. Rikin B. Agarwal   | 3,028,400  | 17.93%       | 1,514,200                       | 21.33%       |
| 3. Urmiladevi B. Agarwal  | 1,037,800  | 6.15%        | 518,900                         | 7.31%        |
| 4. Kautilya Traders Pvt. Ltd.   | 2,772,000  | 16.41%       | 386,000                         | 5.44%        |
| 5. Vijay Subham Contrade Pvt. Ltd.  | 2,552,000  | 15.11%       | -                               | 0.00%        |
| 7. Rushp Trading LLP  | -  | 0.00%        | 1,000,000                       | 14.08%       |
| 8. Drakensburg Investment Limited   | -  | 0.00%        | 542,000                         | 7.63%        |
|   | -  | -            | -                               | -            |
| (c) <b>Reconciliation of number of shares outstanding is set out below:</b>   | <b>31/03/2024</b>  |              | <b>31/03/2023</b>               |              |
|   | No. of Shares  | Amounts      | No. of Shares                   | Amounts      |
| Equity shares at the beginning of the year  | 7,100,000  | 710.00       | 7,100,000                       | 710.00       |
| Add: Bonus Shares issued during the year(Refer Note No : 3.1  | 7,100,000  | 710.00       | -                               | -            |
| Add: Issue of shares under IPO during the year (Refer Note No :39)  | 2,688,000  | 268.80       | -                               | -            |
| Less: Buy Back  | -  | -            | -                               | -            |
| Equity shares at the end of the year  | 16,888,000   | 1688.80      | 7,100,000                       | 710.00       |
| Note :3.1 During the financial year 2023-24 the Company has issued bonus shares in the ratios 1:1out of share premium account on 02.08.2023vide Board resolution passed on 31.07.2023   |  |              |                                 |              |
| (f) <b>Shareholding of Promoters as at 31-03-2024</b>   | <b>No. of Shares</b>   |              | <b>% of total shares</b>        |              |
| <b>S. No. Promotor</b>  |  |              | <b>% Change during the year</b> |              |
| 1 Bharatbhushan O. Agarwal  | 3,033,800  | 21.36%       | 0.00%                           |              |
| 2 Rikin B. Agarwal  | 3,028,400  | 21.33%       | 0.00%                           |              |
| Total   | 6,062,200  | 42.69%       | 0.00%                           |              |
| <b>Shareholding of Promoters as at 31-03-2023</b>   |  |              |                                 |              |
| <b>S. No. Promotor</b>  | <b>No. of Shares</b>   |              | <b>% of total shares</b>        |              |
| 1 Bharatbhushan O. Agarwal  | 1,516,900  | 21.36%       | 0.00%                           |              |
| 2 Rikin B. Agarwal  | 1,514,200  | 21.33%       | 0.00%                           |              |
| Total   | 3,031,100  | 42.69%       | 0.00%                           |              |
| As per records of the Company, including its registers of Shareholders / Members and other declarations received from Shareholders regarding beneficial Interest, the above shareholding represents both legal and beneficial ownerships of shares.                                   |  |              |                                 |              |
| <b>Note : 4 RESERVES AND SURPLUS</b>  | <b>31/03/2024</b>  |              | <b>31/03/2023</b>               |              |
| 1) Capital Reserve : Balance as per last year   | 452.67   |              | 452.67                          |              |
| 2) Securities Premium Account :   |  |              |                                 |              |
| balance at the beginning of the year  | 2108.00  |              | 2108.00                         |              |
| Less: Issue of Bonus share  | 710.00   |              |                                 |              |
| Less: IPO exp   | 136.28   |              |                                 |              |
| Add: Share premium on IPO   | 1612.80  |              |                                 |              |
| Securities Premium Account balance at the end of the year   | 2874.52  |              |                                 |              |
|   | 3327.19  |              | 2560.67                         |              |
| 3) Surplus in the Statement of Profit and Loss :  |  |              |                                 |              |
| Opening Balance   | 2339.03  |              | 600.05                          |              |
| Add : Profit for the year   | 1301.75  |              | 1012.80                         |              |
| Add: Transfer to Reserve  |  |              |                                 |              |
| (a) due to change in life of machineries (Refer note no. 4.1)   | 0.00   |              | 1272.95                         |              |
| (b) due to rectification of entry (Refer note no. 4.2)  | 0.00   |              | 46.47                           |              |
| Less: Deferred Tax due to reestimation of life of machinery (Refer note no. 4.4)  | 0.00   |              | -585.94                         |              |
| Less: Provision for Gratuity of earlier years (Refer note no. 4.3)  | 0.00   |              | -7.30                           |              |
| Closing Balance   | 3640.79  |              | 2339.03                         |              |
|   | 6967.98  |              | 4899.70                         |              |

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**Note No. 4.1** During the Financial Year 2016-17 the company has provided depreciation on Air Jet Looms and ancillary machineries relying on the Chartered Engineers S.K. PATEL certificate considering the useful life of 10 years instead of 15 years as provided in Schedule II of Companies Act,2013. During the financial year 2022-23 the company has decided to provide depreciation on Air Jet Looms and ancillary machineries considering the life of 25 years relying on chartered engineers Mukesh Shah report and board resolution dated 01-04-2022. Accordingly excess depreciation provided in earlier period from 2016-17 to 2021-22 amounting to ₹ 1272.94 has been credited to balance of profit & loss account as on 01-04-2022 under the head Reserves & Surplus and debited to respective assets account during the F.Y. 2022-23. Further due to change in life of assets during the F.Y. 2022-23 depreciation is charged less by ₹ 258.26 to Statement of Profit & Loss and disclosed more profit by ₹ 258.26 considering of life of assets have not been changed.  
(Refer Note No. 12.1 and Note No: 33.1)

**Note No. 4.2** The company has made security deposit amounting to ₹ 38.80 during Financial Year 2016-17 & of ₹ 51.27 during Financial Year 2017-18 totalling to ₹ 90.07 which had been capitalised under the head Electrical Cabling & Other Electrification in respective years and depreciation at applicable rate were provided till 31-03-22. During the F.Y. 2022-23 the same has been rectified by reversing depreciation amounting to ₹ 46.47 to the balance of statement of Profit & Loss A/c. and debiting to UGVCL Deposits as on 01-04-2022. The UGVCL Deposit now stands as on 01-04-22 ₹ 90.07. (Refer Note No : 12.2)\_

**Note No. 4.3** Gratuity provision of earlier years as per Actuarial Valuer Ashok Kumar Garg report dated 08.08-2023, for F.Y. 2022-23 Refer Note NO. 7

**Note No. 4.4** After considering the effect of Note No 4.1, Note 4.2, and Note No. 4.3, the deferred tax liability arose due to such change pertaining to prior period adjustment is being given effect in Reserve & Surplus during the F.Y. 2022-23 ( Refer Note No. 14 & Refer Note No.33.3)

| Note : 5 LONG-TERM BORROWINGS                                  | 31/03/2024 | 31/03/2023 |
|--|------------|------------|
| <b>Secured:</b>  |            |            |
| Term Loan From Bank Term Loan -1 (Refer Note 5.1)              | 1.68       | 564.43     |
| Term Loan From Bank Term Loan -2 (Refer Note 5.1)              | 709.09     | 1345.45    |
| Working Capital Term Loan From GECL (Refer Note 5.1)           | 100.34     | 341.66     |
| Working Capital Term Loan From GECL Extension (Refer Note 5.1) | 313.53     | 352.75     |
| Term Loan From Bank Car Loan (Refer Note 5.1)                  | 5.62       | 14.60      |
| Term Loan From Bank -Wind Mill (Refer Note 5.1)                | 876.12     | 956.45     |
|  | 2006.38    | 3575.33    |
| Less: Current Maturities of Term Loan 1 & 2                    | 451.68     | 744.50     |
| Less: Current Maturities of GECL-1 & 2                         | 216.98     | 288.01     |
| Less: Current Maturities of Car Loan                           | 8.98       | 9.86       |
| Less: Current Maturities of Wind Mill Term Loan                | 96.00      | 72.00      |
| <b>(Refer Note No:8)</b>                                       | 1232.74    | 2460.96    |
| <b>Unsecured:</b>  |            |            |
| From Body Corporates   | 215.00     | 215.00     |
| <b>From Directors</b>  | .00        | 387.34     |
| (Interest free loan from body corporate and Director)          |            |            |
|  | 1447.74    | 3063.29    |

Refer Note No. 5.1

(A) Details of Term Loan and Security Provided

| TERMS OF REPAYMENT  | Rate of Interest                         | 31/03/2024 | 31/03/2023 |
|---|--|------------|------------|
| <b>Term Loan 1</b><br>Repayable in Total 27 Quarterly installments commencing from April, 2018 and ending on February, 2025.  | up to Dec'23 @ 11.65% ,there after @9.55 | 1.68       | 564.43     |
| <b>Term Loan 2</b><br>Repayable in Total 83 Monthly installments commencing from February, 2019 and ending on June, 2026.   | up to Dec'23 @ 11.65% ,there after @9.55 | 709.09     | 1345.45    |
| <b>GECL Loan</b><br>Repayable in Total 36 Monthly installments commencing from August, 2021 and ending on July, 2024 after a moratorium period of 12 months from the date of disbursement.                | 9.25%                                    | 100.34     | 341.66     |
| <b>GECL Extension Loan</b><br>Repayable in Total 36 Monthly installments commencing from November, 2023 and ending on October, 2026 after a moratorium period of 24 months from the date of disbursement. | 9.25%                                    | 313.53     | 352.75     |
| <b>Car Loan</b><br>Repayable in Total 84 EMI starting after one month of disbursement   | 8.60%                                    | 5.62       | 14.60      |
| <b>Term Loan 3</b><br>Repayable in Total 90 Monthly installments commencing from April 2023 and ending on September 2030  | up to Dec'23 @ 11.65% ,there after @9.55 | 876.12     | 956.45     |

**(B)(i) Primary Security with Bank for Term Loan 1, Term Loan 2 and GECL**

Hypothecation of Stock & Receivables

Hypothecation of Plant & Machinery located at Weaving Unit 1, Survey No. 297, Dholi Integrated Spinning Park Ltd., Dholka, Ahmedabad-382240, Gujarat

**(ii) Primary Security with Bank for Term Loan 3 (Wind Mill)**

Hypothecation of Stock & Receivables

Hypothecation of Plant & Machinery located at Weaving Unit 1, Survey No. 297, Dholi Integrated Spinning Park Ltd., Dholka, Ahmedabad-382240, Gujarat

Hypothecation of Wind Mill and related Plant & Machinery Purchased out of the Bank Finance located at 217/1, Taluka,Savar Kundla, Amreli

**(C) Collateral Security with Bank for Term Loan 1, Term Loan 2 and GECL and Term Loan 3(Wind Mill)**

(i) Equitable Mortgage over immovable property at Plot No. 544 owned by M/s. Krishna Traders & 545 owned by M/s. Star Traders admeasuring 644sq. Yards each located at Survey No. 138, Vraj Garden, Nr. 200 Feet Ring Road and Shanti Asiatic School Road, Sanand, Ahmedabad -380058

(ii) Equitable Mortgage over Factory Land and Building (admeasuring 8660.36 sqft. Meteres) at Weaving Unit 1, Survey No. 297, Dholi Integrated Spinning Park, Dholka, Ahmedabad -382240

(iii) Equitable Mortgage over Immovable property (admeasuring 598 sq. mtrs.) at Flat No./ Plot No.: Unit no. 330, Survey No. / House No. Block No. 161, Vraj Garden, Akshat C.J. Society Ltd., behind Applewoods Scheme, Near Sahara City, Ahmedabad -380058  
Owned by Vedprakash Chiripal

(iv) Pledge of Fixed Deposit Receipt of Rs.170.00(Previous year Pledge of units 741048 of SBI corporate bond fund amounting to Rs. Rs. 200.,00 )  
(Refer Note No. 13 & Note No. 20.2)

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**(D) Guarantee**

|                     |   |
|---------------------|---|
| Personal Guarantee  |   |
| (i)                 | Shri Bharatbhushan Agarwal              |
| (ii)                | Shri Rikin Agarwal                      |
| (iii)               | Shri Vedprakash Chiripal                |
| (iv)                | Smt. Urmiladevi Chiripal                |
| (v)                 | Smt. Savitridevi Chiripal               |
| Corporate Guarantee |   |
| (i)                 | M/s. Krishna Traders (Proprietary Firm) |
| (ii)                | M/s. Star Traders (Proprietary Firm)    |

**(E)**

**Primary Security with Bank for Car Loan**  
Hypothecation of vehicle purchased out of Bank Finance. It is a multi Utility Vehicle.  
24.89% margin with personal guarantee of Directors Bharat Bhushan Agarwal & Rikin Bharat Bhushan Agarwal

| Note : 6 OTHER LONG-TERM LIABILITIES | 31/03/2024 | 31/03/2023 |
|--------------------------------------|------------|------------|
| <b>Trade Payable</b>                 |            |            |
| Creditors for MSME                   | 21.99      | 20.69      |
| Creditors for Others                 | 65.42      | -          |
|                                      | 87.42      | 20.69      |

**Trade Payables ageing schedule as at 31-03-2024**

| Sl. No. | Particulars               | Outstanding for following periods from due date of payment |           |           |                   | Total |
|---------|---------------------------|--|-----------|-----------|-------------------|-------|
|         |                           | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| (i)     | MSME (Refer note no. 6.1) | -  | -         | 21.99     | -                 | 21.99 |
| (ii)    | Others                    | -  | 65.42     | -         | -                 | 65.42 |
| (iii)   | Disputed dues- MSME       | -  | -         | -         | -                 | -     |
| (iv)    | Disputed dues - Others    | -  | -         | -         | -                 | -     |
|         | Total                     | -  | 65.42     | 21.99     | -                 | 87.42 |

**Trade Payables ageing schedule as at 31-03-2023**

| Sl. No. | Particulars               | Outstanding for following periods from due date of payment |           |           |                   | Total |
|---------|---------------------------|--|-----------|-----------|-------------------|-------|
|         |                           | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| (i)     | MSME (Refer note no. 6.1) | -  | -         | 2.02      | 3.34              | 20.69 |
| (ii)    | Others                    | -  | 15.32     | -         | -                 | -     |
| (iii)   | Disputed dues- MSME       | -  | -         | -         | -                 | -     |
| (iv)    | Disputed dues - Others    | -  | -         | -         | -                 | -     |
|         | Total                     | -  | 15.32     | 2.02      | 3.34              | 20.69 |

Note No. 6.1 During the year the company has gathered information in respect of whether supplier of goods & services are covered under the MSME Act 2006, the information has been provided as per informations and explanation provided by the company (P.Y. as per information and explanation the company has not gathered information as regards whether supplier of goods and or services are covered under the MSME Act, 2006. Hence, we are unable to provide the required information.)

Note No.:6.2 Outstanding Balances are subject to confirmation and reconciliation, if any.

| Note : 7 LONG-TERM PROVISIONS                        | 31/03/2024 | 31/03/2023 |
|--|------------|------------|
| <b>Provision for Grauity</b><br>(Refer Note No. 4.3) | 7.53       | 7.29       |
|  | 7.53       | 7.29       |

| Note : 8 SHORT-TERM BORROWINGS                                  | 31/03/2024 | 31/03/2023 |
|---|------------|------------|
| (a) Secured Loans :   |            |            |
| Current Maturities of long-term borrowings<br>(Refer No Note:5) | 773.64     | 1114.37    |
|   | 773.64     | 1114.37    |

| Note : 9 TRADE PAYABLES  | 31/03/2024 | 31/03/2023 |
|--|------------|------------|
| Total outstanding dues of micro & small enterprises (refer note no. 9.1) | 145.38     | -          |
| Total outstanding dues of creditors other than micro & small enterprises | 3439.64    | 6665.65    |
| Total outstanding dues of Other creditors                                | 3539.08    | -          |
|  | 7124.09    | 6665.65    |

**Trade Payables ageing schedule as at 31st March,2024**

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |           |           |                   | Total   |
|---------|------------------------|--|-----------|-----------|-------------------|---------|
|         |                        | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |         |
| (i)     | MSME                   | 3585.01  | -         | -         | -                 | -       |
| (ii)    | Others                 | 3539.08  | -         | -         | -                 | 3539.08 |
| (iii)   | Disputed dues- MSME    | -  | -         | -         | -                 | -       |
| (iv)    | Disputed dues - Others | -  | -         | -         | -                 | -       |
|         | Total                  | 7124.09  | -         | -         | -                 | 3539.08 |

**Trade Payables ageing schedule as at 31st March,2023**

| Sl. No. | Particulars            | Outstanding for following periods from due date of payment |           |           |                   | Total   |
|---------|------------------------|--|-----------|-----------|-------------------|---------|
|         |                        | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |         |
| (i)     | MSME                   | -  | -         | -         | -                 | -       |
| (ii)    | Others                 | 6665.65  | -         | -         | -                 | 6665.65 |
| (iii)   | Disputed dues- MSME    | -  | -         | -         | -                 | -       |
| (iv)    | Disputed dues - Others | -  | -         | -         | -                 | -       |
|         | Total                  | 6665.65  | -         | -         | -                 | 6665.65 |

Note No. 9.1 During the year the company has gathered information in respect of whether supplier of goods & services are covered under the MSME Act 2006, the information has been provided as per informations and explanation provided by the company (P.Y. as per information and explanation the company has not gathered information as regards whether supplier of goods and or services are covered under the MSME Act, 2006. Hence, we are unable to provide the required information.)

Note No.:9.2 Outstanding Balances are subject to confirmation and reconciliation, if any.

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| <b>Note : 10 OTHER CURRENT LIABILITIES</b>   | <b>31/03/2024</b> | <b>31/03/2023</b> |
|--|-------------------|-------------------|
| Statutory Liabilities  | 13.69             | 11.91             |
| Other Liabilities  | -                 | .03               |
| Unpaid Expenses  | 48.51             | 86.58             |
|  | <u>62.20</u>      | <u>98.52</u>      |
| <b>Note : 11 SHORT-TERM PROVISIONS</b>   | <b>31/03/2024</b> | <b>31/03/2023</b> |
| Provision for Employee Benefits  | 17.95             | 14.76             |
| Provision for Current Tax  | 348.00            | 255.73            |
| Provision for Income Tax A.Y.2019-20   | .77               |                   |
| Short Term Provision for Gratuity  | .02               | .19               |
|  | <u>366.74</u>     | <u>270.67</u>     |
| <b>Note : 13 NON-CURRENT INVESTMENTS</b>   | <b>31/03/2024</b> | <b>31/03/2023</b> |
| A Trade Investments  |                   |                   |
| B Other Investments (at cost) (Un-Quoted)  |                   |                   |
| In SBI Corporate Fund Bond (Unit 74049.38)   | -                 | 200.00            |
| (Market Value as on 31-03-2024 ₹ nil/-<br>(P.Y. ₹ 280.50)<br>[Refer Note No. 5.1(c)(iv)] | <u>-</u>          | <u>200.00</u>     |

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12 NON -CURRENT ASSETS

**PROPERTY, PLANT & EQUIPMENT**

Rs in Lakhs

| Particulars                                | Gross carrying amount |               |                           |                     | Depreciation        |               |                           |                     | Net carrying amount |                     |
|--|-----------------------|---------------|---------------------------|---------------------|---------------------|---------------|---------------------------|---------------------|---------------------|---------------------|
|  | As at<br>01-04-2023   | Additions     | Deletions/<br>adjustments | As at<br>31-03-2024 | As at<br>01-04-2023 | Additions     | Deletions/<br>adjustments | As at<br>31-03-2024 | As at<br>31-03-2024 | As at<br>31-03-2023 |
| <b>Tangible assets</b>                     |                       |               |                           |                     |                     |               |                           |                     |                     |                     |
| <b>PHASE I</b>                             |                       |               |                           |                     |                     |               |                           |                     |                     |                     |
| Leasehold Land                             | 230.38                |               |                           | 230.38              | 15.33               | 2.32          |                           | 17.65               | 212.73              | 215.05              |
| Computer Equipments                        | 1.50                  |               |                           | 1.50                | 1.50                | .00           |                           | 1.50                | .00                 | .00                 |
| Air Compressor Machine                     | 65.12                 |               |                           | 65.12               | 40.05               | 6.19          |                           | 46.23               | 18.88               | 25.07               |
| Air Jet Looms                              | 2435.96               | 17.26         |                           | 2453.22             | 650.38              | 93.01         |                           | 743.38              | 1709.83             | 1785.58             |
| Electrical Cabling & Other Electrification | 154.04                |               |                           | 154.04              | 82.59               | 14.63         |                           | 97.23               | 56.81               | 71.45               |
| H Plant                                    | 125.79                |               |                           | 125.79              | 78.66               | 11.95         |                           | 90.61               | 35.18               | 47.13               |
| OHTC                                       | 13.57                 |               |                           | 13.57               | 8.35                | 1.29          |                           | 9.64                | 3.94                | 5.23                |
| Profile Reeds                              | 13.58                 |               |                           | 13.58               | 8.15                | 1.29          |                           | 9.44                | 4.14                | 5.43                |
| Stores & Spares parts of Plant & Machinery | 132.45                |               |                           | 132.45              | 80.78               | 12.58         |                           | 93.36               | 39.09               | 50.88               |
| Todo Warp Typing Machine                   | 52.60                 |               |                           | 52.60               | 32.35               | 5.00          |                           | 37.35               | 15.25               | 20.25               |
| Transformers                               | 16.63                 |               |                           | 16.63               | 10.23               | 1.58          |                           | 11.81               | 4.82                | 6.40                |
| Office Equipment                           | 2.85                  |               |                           | 2.85                | 1.76                | .54           |                           | 2.30                | .54                 | 1.09                |
| Furniture & Fixtures                       | 3.96                  |               |                           | 3.96                | 2.29                | .38           |                           | 2.67                | 1.29                | 1.67                |
| Factory Building                           | 486.42                |               |                           | 486.42              | 286.75              | 46.21         |                           | 332.96              | 153.46              | 199.67              |
| <b>PHASE II</b>                            |                       |               |                           |                     |                     |               |                           |                     |                     |                     |
| Computer Equipments                        | 1.28                  |               |                           | 1.28                | 1.21                | .00           |                           | 1.21                | .06                 | .06                 |
| Air Compressor Machine                     | 208.60                |               |                           | 208.60              | 105.71              | 19.82         |                           | 125.52              | 83.07               | 102.89              |
| Air Jet Looms                              | 2333.76               | 37.59         |                           | 2371.35             | 498.37              | 88.95         |                           | 587.32              | 1784.03             | 1835.39             |
| H Plant                                    | 79.11                 |               |                           | 79.11               | 40.09               | 7.52          |                           | 47.61               | 31.51               | 39.02               |
| Stores & Spares parts of Plant & Machinery | 169.72                |               |                           | 169.72              | 83.22               | 16.12         |                           | 99.34               | 70.38               | 87.30               |
| Todo Warp Typing Machine                   | 33.53                 |               |                           | 33.53               | 16.99               | 3.18          |                           | 20.17               | 13.35               | 16.54               |
| Tudo Tying Machine                         | 39.17                 |               |                           | 39.17               | 19.85               | 3.72          |                           | 23.57               | 15.60               | 19.32               |
| OHTC                                       | 12.23                 |               |                           | 12.23               | 4.09                | 1.16          |                           | 5.25                | 6.98                | 8.14                |
| Electrical Cabling & Other Electrification | 88.04                 |               |                           | 88.04               | 39.75               | 8.36          |                           | 48.11               | 39.93               | 48.29               |
|  |                       |               |                           |                     |                     |               |                           |                     |                     |                     |
| Vehicles                                   | 71.75                 |               |                           | 71.75               | 40.50               | 8.29          |                           | 48.80               | 22.95               | 31.24               |
| Factory Building                           | 493.02                |               |                           | 493.02              | 246.16              | 46.84         |                           | 293.00              | 200.03              | 246.86              |
| Utilities                                  | 29.51                 |               |                           | 29.51               | 4.47                | .93           |                           | 5.40                | 24.11               | 25.04               |
|  |                       |               |                           |                     |                     |               |                           |                     |                     |                     |
| CCTV & accessories                         | 16.66                 |               | .03                       | 16.63               | .34                 | 3.16          | .00                       | 3.50                | 13.12               | 16.32               |
| Windmill                                   | 1266.79               |               | 25.42                     | 1241.36             | 42.69               | 53.60         | .86                       | 95.44               | 1145.92             | 1224.09             |
| Rooftop Solar                              |                       | 380.82        |                           | 380.82              | .00                 | 13.95         |                           | 13.95               | 366.87              |                     |
| Land (Freehold)                            | 279.80                | .68           |                           | 280.48              |                     | .00           |                           | .00                 | 280.48              | 279.80              |
|  |                       |               |                           |                     |                     |               |                           |                     |                     |                     |
| Office (Navratna)                          |                       | 264.94        |                           | 264.94              |                     | 3.85          |                           | 3.85                | 261.09              |                     |
| Office (Civil work - Navratna)             |                       | 14.93         |                           | 14.93               |                     | .01           |                           | .01                 | 14.91               |                     |
| Office Furniture & Ele.(Navratna)          |                       | 83.87         |                           | 83.87               |                     | .37           |                           | .37                 | 83.50               |                     |
| Computer & Peripherals (Navratna)          |                       | .25           |                           | .25                 |                     | .05           |                           | .05                 | .19                 |                     |
| Computer & Peripherals (Navratna)          |                       | 2.51          |                           | 2.51                |                     | .04           |                           | .04                 | 2.47                |                     |
| Office Equipments (Navratna)               |                       | 3.88          |                           | 3.88                |                     | .03           |                           | .03                 | 3.84                |                     |
| Office Equipments                          |                       | 7.18          |                           | 7.18                |                     | 1.00          |                           | 1.00                | 6.18                |                     |
| Air Condition (Navratna)                   |                       | 5.94          |                           | 5.94                |                     | .03           |                           | .03                 | 5.92                |                     |
|  |                       |               |                           |                     |                     |               |                           |                     |                     |                     |
| <b>Sub Total (a)</b>                       | <b>8857.82</b>        | <b>819.82</b> | <b>25.46</b>              | <b>9652.19</b>      | <b>2442.61</b>      | <b>477.96</b> | <b>.86</b>                | <b>2919.71</b>      | <b>6732.47</b>      | <b>6415.21</b>      |

| Particulars                     | Gross block         |                |                           |                     | Depreciation        |               |                           |                     | Net block           | Net block           |
|---------------------------------|---------------------|----------------|---------------------------|---------------------|---------------------|---------------|---------------------------|---------------------|---------------------|---------------------|
|                                 | As at<br>01-04-2023 | Additions      | Deletions/<br>adjustments | As at<br>31-03-2024 | As at<br>01-04-2023 | Additions     | Deletions/<br>adjustments | As at<br>31-03-2024 | As at<br>31-03-2024 | As at<br>31-03-2023 |
| <b>Intangible fixed assets</b>  |                     |                |                           |                     |                     |               |                           |                     |                     |                     |
| Software-website                | -                   | -              | -                         | -                   | -                   | -             | -                         | -                   | -                   | -                   |
| Other software                  | -                   | -              | -                         | -                   | -                   | -             | -                         | -                   | -                   | -                   |
| <b>Sub Total (b)</b>            | -                   | -              | -                         | -                   | -                   | -             | -                         | -                   | -                   | -                   |
| <b>Total</b>                    | <b>8857.82</b>      | <b>819.82</b>  | <b>25.46</b>              | <b>9652.19</b>      | <b>2442.61</b>      | <b>477.96</b> | <b>.86</b>                | <b>2919.71</b>      | <b>6732.47</b>      | <b>6415.21</b>      |
| <b>Figures of previous year</b> | <b>7370.29</b>      | <b>1577.61</b> | <b>90.07</b>              | <b>8857.82</b>      | <b>3310.48</b>      | <b>451.55</b> | <b>1319.42</b>            | <b>2442.61</b>      | <b>6415.21</b>      | <b>4059.80</b>      |

Note No 12.1 During the Financial Year 2016-17 the company has provided depreciation on Air Jet Looms and ancillary machineries relying on the Chartered Engineers S.K. PATEL certificate considering the useful life of 10 years instead of 15 years as provided in Schedule II of Companies Act,2013. During the year F.Y. 2022-23 the company has decided to provide depreciation on Air Jet Looms and ancillary machineries considering the life of 25 years relying on chartered engineers Mukesh Shah report and board resolution dated 01-04-2022. Accordingly excess depreciation provided in earlier period from 2016-17 to 2021-22 amounting to ₹ 1272.94 (Phase I ₹ 716.73 and Phase II ₹ 556.21) has been credited to balance of profit & loss account as on 01-04-2022 under the head Reserves & Surplus and debited to respective assets account. (Refer Note No. 4.1 )

Note No 12.2 The company has made security deposit amounting to ₹ 38.80 during Financial Year 2016-17 & of ₹ 51.27 during Financial Year 2017-18 totalling to ₹ 90.07 which had been capitalised under the head Electrical Cabling & Other Electrification in respective years and depreciation at applicable rate were provided till 31-03-22. During the F.Y. 2022-23 the same has been rectified by reversing depreciation amounting to ₹ 46.47 to the balance of statement of Profit & Loss A/c. and debiting to UGVCL Deposits as on 01-04-2022. The UGCVL Deposit now stands as on 01-04-22 ₹ 90.07 (Refer Note No : 4.2)



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| Note : 13 NON-CURRENT INVESTMENTS  | 31/03/2024 | 31/03/2023 |
|--|------------|------------|
| A Trade Investments  | -          | -          |
| B Other Investments (at cost) (Un-Quoted)  |            |            |
| In SBI Corporate Fund Bond (Unit 74049.38)   | -          | 200.00     |
| (Market Value as on 31-03-2024 ₹ nil/-<br>(P.Y. ₹ 280.50)<br>[Refer Note No. 5.1(c)(iv)] | -          | -          |
|  | -          | 200.00     |

| Note : 14 DEFERRED TAX LIABILITIES  | 31/03/2024 | 31/03/2023 |
|---|------------|------------|
| Opening Balance   | -738.16    | -11.97     |
| Current Year DTA  |            |            |
| i) Difference in WDV between Books & Tax return & Gratuity                  | -135.21    | -140.24    |
| ii) Due to change in life of assets (excess depreciation reversed in books) | -          | -585.94    |
|   | -873.37    | -738.16    |

| Note : 15 LONG-TERM LOANS AND ADVANCES | 31/03/2024 | 31/03/2023 |
|--|------------|------------|
| Unsecured Considered Good              |            |            |
| Capital Advances                       |            |            |
| Loans & Advances to related parties    |            |            |
| Other loans & advances                 | -          | -          |
|  | -          | -          |

| Note : 16 OTHER NON-CURRENT ASSETS                                     | 31/03/2024 | 31/03/2023 |
|--|------------|------------|
| Security Deposits  |            |            |
| Gujarat Pollution Control Board  | .50        | .50        |
| UGVCL( C.Y. includes accrued interest)<br>(For P.Y Refer note no.16.1) | 93.52      | 90.07      |
| Vat Deposit  | .20        | .20        |
| Security Deposit CDSL  | .90        | .00        |
| Security Deposit NSDL  | .90        | .00        |
| Security Deposit BSE   | 31.25      | .00        |
| Deposits with Bank - SBI   |            |            |
| SBI (Refer Note No. 20 )   | 17.34      | 17.65      |
| Long term Trade Receivables  |            |            |
| Secured, considered good   | .00        | .00        |
| Unsecured considered good  | 14.61      | 74.46      |
| Doubtful   | .00        | .00        |
| (Refer Note No. 16.2)  | 159.21     | 182.88     |
|  | 159.21     | 182.88     |

Note No. 16.1 The company has made security deposit amounting to ₹ 38.80 during Financial Year 2016-17 & of ₹ 51.27 during Financial Year 2017-18 totalling to ₹ 90.07 which had been capitalised under the head Electrical Cabling & Other Electrification in respective years and depreciation at applicable rate were provided till 31-03-22. During the F.Y. 2022-23 the same has been rectified by reversing depreciation amounting to ₹ 46.47 to the balance of statement of Profit & Loss A/c. and debiting to UGVCL Deposits as on 01-04-2022. The UGVCL Deposit now stands as on 31.03.2024 ₹ 90.07 (Previous year ₹ 90.07)(Refer Note No. 4.2)

Note No.16.2 Out standing balances are subject to confirmation and recociliatin, if any.

**Long Trade Receivables ageing schedule as at 31-03-2024**

| Sl. No. | Particulars  | Outstanding for following periods from due date of payment |                   |           |           |                   | Total |
|---------|--|--|-------------------|-----------|-----------|-------------------|-------|
|         |  | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |       |
| (i)     | Undisputed Trade receivables - considered good     | -  | -                 | 14.61     | -         | -                 | 14.61 |
| (ii)    | Undisputed Trade receivables - considered doubtful | -  | -                 | -         | -         | -                 | -     |
| (iii)   | Disputed trade receivables - considered good       | -  | -                 | -         | -         | -                 | -     |
| (iv)    | Disputed trade receivables - considered doubtful   | -  | -                 | -         | -         | -                 | -     |
|         | Total  | -  | -                 | 14.61     | -         | -                 | 14.61 |

**Long Trade Receivables ageing schedule as at 31-03-2023**

| Sl. No. | Particulars  | Outstanding for following periods from due date of payment |                   |           |           |                   | Total |
|---------|--|--|-------------------|-----------|-----------|-------------------|-------|
|         |  | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |       |
| (i)     | Undisputed Trade receivables - considered good     | -  | -                 | .17       | 74.29     | -                 | 74.46 |
| (ii)    | Undisputed Trade receivables - considered doubtful | -  | -                 | -         | -         | -                 | -     |
| (iii)   | Disputed trade receivables - considered good       | -  | -                 | -         | -         | -                 | -     |
| (iv)    | Disputed trade receivables - considered doubtful   | -  | -                 | -         | -         | -                 | -     |
|         | Total  | -  | -                 | .17       | 74.29     | -                 | 74.46 |

| Note : 17 CURRENT INVESTMENTS | 31/03/2024 | 31/03/2023 |
|-------------------------------|------------|------------|
| CURRENT INVESTMENTS           | -          | -          |
|                               | -          | -          |

| Note : 18 INVENTORIES | 31/03/2024 | 31/03/2023 |
|-----------------------|------------|------------|
| (i) Raw Materials     | 532.90     | 492.40     |
| (ii) Work in Progress | 117.09     | 520.42     |
| (iii) Finished Goods  |            |            |
| (a) Grey Fabrics      | 114.57     | 395.55     |
| (b) Finshed Fabrics   | 1084.86    | 477.10     |
|                       | 1849.42    | 1885.47    |

Note No. 18.1 The closing stock is as taken valued and certified by the Management

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| Note : 19 TRADE RECEIVABLES | 31/03/2024 | 31/03/2023 |
|-----------------------------|------------|------------|
| Secured, considered good    | -          | -          |
| Unsecured considered good   | 8969.39    | 6753.12    |
| Doubtful                    | .00        | .00        |
|                             | 8969.39    | 6753.12    |

**Trade Receivables ageing schedule as at 31-03-2024**

| Sl. No. | Particulars  | Outstanding for following periods from due date of payment |                   |           |           |                   | Total   |
|---------|--|--|-------------------|-----------|-----------|-------------------|---------|
|         |  | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |         |
| (i)     | Undisputed Trade receivables - considered good     | 8969.39  | -                 | -         | -         | -                 | 8969.39 |
| (ii)    | Undisputed Trade receivables - considered doubtful | -  | -                 | -         | -         | -                 | -       |
| (iii)   | Disputed trade receivables - considered good       | -  | -                 | -         | -         | -                 | -       |
| (iv)    | Disputed trade receivables - considered doubtful   | -  | -                 | -         | -         | -                 | -       |
|         | Total  | 8969.39  | -                 | -         | -         | -                 | 8969.39 |

**Trade Receivables ageing schedule as at 31-03-2023**

| Sl. No. | Particulars  | Outstanding for following periods from due date of payment |                   |           |           |                   | Total   |
|---------|--|--|-------------------|-----------|-----------|-------------------|---------|
|         |  | Less than 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |         |
| (i)     | Undisputed Trade receivables - considered good     | 6737.69  | 15.43             | -         | -         | -                 | 6753.12 |
| (ii)    | Undisputed Trade receivables - considered doubtful | -  | -                 | -         | -         | -                 | .00     |
| (iii)   | Disputed trade receivables - considered good       | -  | -                 | -         | -         | -                 | .00     |
| (iv)    | Disputed trade receivables - considered doubtful   | -  | -                 | -         | -         | -                 | .00     |
|         | Total  | 6737.69  | 15.43             | -         | -         | -                 | 6753.12 |

Note No.:19.1 Outstanding Balances are subject to confirmation and reconciliation, if any.

| Note : 20 CASH EQUIVALENTS AND BANK BALANCES                             | 31/03/2024 | 31/03/2023 |
|--|------------|------------|
| Balances with Banks  |            |            |
| In Current Accounts  | 267.34     | 476.83     |
| Cash in Hand   | .12        | .07        |
| <b>In Deposite Account</b>   |            |            |
| a) Term Deposits with Nationalised Bank                                  |            |            |
| b) Fixed Deposits having maturity of less than 3 months                  | .00        | .00        |
| <b>Other Bank Balance</b>  |            |            |
| c) Fixed Deposits having maturity of more than 3 months                  | 172.37     |            |
| Deposite with SBI [Refer Note No. 5.1(c)(iv)] and (Note no.20.2)         |            |            |
| d) Fixed Deposits having maturity of more than 3 months                  | 63.41      | 7.79       |
| Deposite with SBI (Refer Note No.20.3 )                                  |            |            |
| e) Fixed Deposits having maturity of more than 12 months                 | 17.34      | 17.65      |
| Deposite with SBI (Refer Note No.20.3 )                                  |            |            |
| <b>Less:</b>   |            |            |
| Fixed Deposits having maturity of more than 12 months (Refer Note No.16) | 17.34      | 17.65      |
|  | 503.24     | 484.69     |

Note No. 20.1 : Fixed Deposits are inclusive of accrued interest thereon.

No.20.2 Deposit pledge with State Bank of India as per terms of sanction .

20.3 Deposit with bank are under lien against various bank guarantee issued and are inclusive of accrued interest as on 31.03.2024 Rs.78.39 (Previous year ₹ 25.44)

Note  
Note No.

| Note : 21 SHORT-TERM LOANS AND ADVANCES                                   | 31/03/2024 | 31/03/2023 |
|---|------------|------------|
| <b>Unsecured considered good</b>  |            |            |
| Loan and Advances to related parties                                      |            |            |
| a) Subsidiaries   | -          | -          |
| b) Others   | -          | -          |
| Other Loans and Advances  |            |            |
| Balances with Statutory Authorities                                       |            |            |
| Inverted IGST Claim Refund  | 51.97      | 6.03       |
| State GST Refund Receivable (Phase 1)                                     | 494.30     | 755.86     |
| Tuff Capital Subsidy Receivable A/c (Phase 1)                             | 56.96      | 56.96      |
| Tuff Capital Subsidy Receivable A/c (Phase 2)                             | 229.05     | 229.05     |
| GST receivable  | 37.49      | 109.54     |
| TDS / TCS Receivable  | 56.74      | 44.29      |
| Advance Income Tax for F.Y. 2023-24                                       | 200.00     | .00        |
| Other advances recoverable in cash or in kind or for value to be received |            |            |
| Advance for purchase of Assets & other expences                           | 4.70       | 282.87     |
| Receivable for rate difference & quality claims                           | .00        | 144.00     |
| Others  | .00        | .00        |
| Prepaid Expenses  | 6.97       | 5.99       |
|   | 1138.19    | 1634.59    |

| Note : 22 OTHER CURRENT ASSETS                  | 31/03/2024 | 31/03/2023 |
|---|------------|------------|
| Income Receivable for WindMill Power Generation | 47.58      | 32.38      |
|   | 47.58      | 32.38      |

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| Note : 23 REVENUE FROM OPERATIONS   | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|---------------------------|---------------------------|
| (a) Sale of Products  |                           |                           |
| Sale of Goods   |                           |                           |
| Fabrics Sales   | 39487.29                  | 31097.36                  |
| Weaving Job Work Sales  | 14.24                     | 4.02                      |
| Yarn Sales  | 10634.20                  | 5738.80                   |
| Sales (Store)   | .18                       | .00                       |
| (b) Supply of Services  |                           |                           |
| Wind Mill Power Generation Income (Gross)(Refer Note No :24.1)  | 377.74                    | 193.04                    |
| Solar Roof Top generation Income  | 69.41                     | .00                       |
|   | <u>50583.06</u>           | <u>37033.22</u>           |
| Note No : 24.1 Includes prior period Rs.1246345/- ( P.Y. NIL)   |                           |                           |
| Note : 24 OTHER INCOME  | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Interest on Fixed Deposit   | 5.89                      | 1.42                      |
| Interest on Deposit with UGVCL  | 3.83                      | 3.83                      |
| Interest Income on I.T. Refund  | .00                       | .59                       |
| Scrap & Wastage Sales   | .78                       | 7.52                      |
| Excess prov.written off for ROC Exps.   | .01                       | .00                       |
| Rebate  | .87                       | .44                       |
| Vatav Kasar   | .00                       | .17                       |
| Discount Received   | .00                       | 9.53                      |
| Sundry Creditors w/off  | 11.22                     | 2.16                      |
| Unclaimed Salary of earlier years written back  | .00                       | 8.44                      |
| Actuarial Gain (Gratuity)   | 3.80                      | 3.95                      |
| Long Term Gain on Mutul Fund redemption   | 99.07                     | .00                       |
|   | <u>125.46</u>             | <u>38.05</u>              |
| Note : 25 COST OF MATERIALS CONSUMED  | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| <b>MATERIALS CONSUMED :</b>   |                           |                           |
| Opening Stock   | 492.40                    | 368.64                    |
| Add: Purchases (Yarn, Fabric & Others, etc.)<br>(Refer Note No :25.1)                                   | 45700.22                  | 33412.84                  |
| Less: Closing Stock<br>(As taken and valued and certified the management)                               | 532.90                    | 492.40                    |
|   | <u>45659.71</u>           | <u>33289.08</u>           |
| Note No : 25.1 Includes prior period Rs.NIL (P.Y. Rs. 76.29,261/-)                                      |                           |                           |
| Note : 26 CHANGES IN INVENTORIES  | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| (i)Work in Progress   | -56.23                    | -453.17                   |
| (ii)Finished Goods  |                           |                           |
| (a) Grey Fabrics  | -628.08                   | -258.98                   |
| (b) Finshed Fabrics   | 607.76                    | -360.74                   |
|   | <u>-76.55</u>             | <u>-1072.89</u>           |
| Note 26.1 MANUFACTURING EXPENSES :  | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Drawing & Knotting Charges  | 14.29                     | 29.48                     |
| Inspection Charges  | 8.39                      | 12.15                     |
| Electricity Charges   | 644.39                    | 705.80                    |
| Windmill Operating Expenses   | 45.44                     | 29.24                     |
| Solar Operation Expenses  | 7.14                      | .00                       |
| Job Work  | 1181.66                   | 1200.49                   |
|   | <u>1901.31</u>            | <u>1977.16</u>            |
| Note : 27 EMPLOYEE BENEFITS EXPENSE   | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| Managerial Remuneration   | 12.00                     | 6.00                      |
| Salary & Wages  | 200.23                    | 243.40                    |
| Contribution to Employee Deposit Linked Insurance Scheme  | .08                       | .06                       |
| Staff Welfare Expenses, Medical exp   | .20                       | 1.65                      |
| Gratuity Expenses   | 3.88                      | 3.71                      |
| Providend Fund Employer   | 2.10                      | .00                       |
| <b>Provident Fund Exp</b>   | <u>.11</u>                | <u>.00</u>                |
|   | <u>218.58</u>             | <u>254.82</u>             |
| Note.27.1 Retirement Benefits   | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
| A) <b>Defined Benefit Plans:</b>  |                           |                           |
| Particulars   |                           |                           |
| i) <b>Amounts recognised in the Balance Sheet in respect of Gratuity</b>                                |                           |                           |
| Present Value of the funded Defined Benefit Obligations at the end of the year                          | 7.47                      | 7.71                      |
| Fair Value of Plan Assets   | -                         | 0                         |
| <b>Net (Asset)/ Liability</b>   | <u>7.47</u>               | <u>7.71</u>               |
| <b>Employee Benefits Expenses</b>   |                           |                           |
| Current Service Cost  | 3.31                      | 3.13                      |
| Interest on Net Defined Benefit Liability /(Assets)   | .56                       | .58                       |
| <b>Net actuarial (gain)/loss recognised in the period</b>   | <u>-3.80</u>              | <u>-3.95</u>              |
| Expenses to be recognised in P&L  | <u>.08</u>                | <u>-.24</u>               |
| ii) <b>Reconciliation of Present Value of the Obligation and the Fair Value of the Plan of Assets :</b> |                           |                           |
| <b>Change in Net Liabilities/ (Assets)</b>  |                           |                           |
| Opening Net Defined Benefit Liabilities/(Assets)  | 7.47                      | 7.71                      |
| Expenses Charged to Profit & Loss   | .08                       | -.24                      |
| Amount Recognised Outside Profit and Loss -OCI  |                           |                           |
| Employer Contribution   |                           |                           |
| <b>Closing Net Defined Benefit Liabilities/ (Assets)</b>  | <u>7.55</u>               | <u>7.47</u>               |

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iii) Quantitive Sensitivity Analysis for Significant Assumption is as below :

| Increase/ Decrease in Present Value of Defined Benefits Obligation at the end of the year |      |      |
|---|------|------|
| Particulars   |      |      |
| Deined Benefit Obligation (Base)  | 7.55 | 7.47 |
| Liability with 1.00 % Increase in Discount Rate   | 6.79 | 6.70 |
| Liability with 1.00 % Decrease in Discount Rate   | 8.46 | 8.41 |
| Liability with 1.00 % Increase in Rate of Salary Increase                                 | 8.47 | 8.42 |
| Liability with 1.00 % Decrease in Rate of Salary Increase                                 | 6.77 | 6.68 |
| Liability with 1.00 % Increase in Withdrawal Rate   | 7.56 | 7.54 |
| Liability with 1.00 % Decrease in Withdrawal Rate   | 7.51 | 7.36 |

| Particulars   |                  |                 |
|---|------------------|-----------------|
| Principal Actuarial Assumptions at the Balance Sheet Date |                  |                 |
| Discount Rate   | 7.25 % per annum | 7.50% per annum |
| Salary Escalation   |                  |                 |
| Salary Escalation - Staff                                 | 5.00 % per annum | 5.00% per annum |
| Mortality Rate during Employment                          | IALM 2012-14     | IALM 2012-14    |
| Rate of Employee Turnover                                 | 5.00% per annum  | 5.00% per annum |

| Current Liability                 |      |      |
|-----------------------------------|------|------|
| Current Liability (Short Term)    | .02  | .19  |
| Non Current Liability (Long Term) | 7.53 | 7.29 |
| Total Liability                   | 7.55 | 7.47 |

| Benefits Valued                                   |  |  |
|---|--|--|
| Normal Retirement Age                             | 60Years  | 60Years  |
| Salary  | Last drawing qualifying salary                   | Last drawing qualifying salary                   |
| Vesting Period                                    | 5 years of service                               | 5 years of service                               |
| Benefits on Normal Retirement                     | (yr.)  | 15/26*Salary*Past service (yr.)                  |
| Benefit on early exit due to death and disability | As above except that no vesting conditions apply | As above except that no vesting conditions apply |
| Limit   | 20.00  | 20.00  |

| Note : 28 FINANCE COSTS              | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--------------------------------------|---------------------------|---------------------------|
| Interest on Wind Mill Loan           | 101.47                    | 77.66                     |
| Interest on Car Loan                 | .88                       | 1.46                      |
| Interest on Term Loan                | 168.06                    | 187.73                    |
| Interest on GECL Loan                | 51.63                     | 69.37                     |
| Other Borrowing Costs (Bank charges) | .50                       | 1.06                      |
| Interest on Late payment of GST      | .04                       | .00                       |
| Interest on Late payment of TDS      | .01                       | .09                       |
| Interest on late PF                  | .00                       | .00                       |
|                                      | 322.60                    | 337.38                    |

| Note : 29 OPERATING AND OTHER EXPENSES | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|---------------------------|---------------------------|
| <b>OTHER DIRECT EXPENSES :</b>         |                           |                           |
| Loading & Unloading Expenses           | 14.87                     | 18.40                     |
| Catch Code Yarn                        | 2.88                      | 5.46                      |
| Insurance Expenses                     | 17.00                     | 14.93                     |
| Rent, Rates & Taxes                    | .23                       | .43                       |
| Freight Expenses                       | 39.15                     | 76.70                     |
| Plant Expenses                         | .67                       | .68                       |
| Plant Sundry Material                  | .12                       | .66                       |
| Stores & Spares                        | 19.10                     | 69.58                     |
| Rate Difference & Quality Claim        | 14.52                     | 49.22                     |
| Packing Expenses                       | .00                       | 80.20                     |
| Clearing & Forwarding                  | .00                       | .65                       |
| Damages                                | .00                       | 8.21                      |
|  | 108.53                    | 325.09                    |

|   |       |       |
|---|-------|-------|
| Payments to Auditor (Refer Note : 29.1)       | 3.72  | 1.00  |
| Audit Fees -GST                               | .25   | .25   |
| Bank -Guarantee Commission                    | .47   | 1.17  |
| Canteen Expenses                              | 6.08  | 7.74  |
| Car Hire                                      | 3.17  | 4.30  |
| Car petrol Expenses                           | 4.32  | 4.64  |
| Conveyance Expenses                           | .32   | .69   |
| Commission & Brokerage                        | .28   | 1.06  |
| Computer Repairing                            | .39   | .22   |
| Consultancy & Professional Fess               | 3.07  | 5.61  |
| Donation                                      | .00   | .15   |
| CSR Activities                                | 9.10  |       |
| Excess income on Bank FD booked earlier W/off | .00   | .82   |
| Housekeeping Expenses                         | 9.29  | 13.01 |
| Factory Licence Fees                          | .28   | .28   |
| GST Expenses                                  | 1.10  | 1.54  |
| TCS Expenses (write off)                      | .00   | .02   |
| Insurance Charges- Volvo Car                  | 1.20  | .94   |
| Internet Broadband Expenses                   | .50   | .06   |
| Internet Leased Line Expenss                  | .00   | .50   |
| Late Fees GST                                 | .00   | .00   |
| Lease Rent Expense                            | .04   | .19   |
| Legal and Professional Fees                   | 11.78 | 7.87  |
| GPCB Consent Fees                             | .01   | .00   |
| Mending Charges                               | .00   | .18   |
| Mobile Expenses                               | .31   | .50   |
| Office Expenses                               | 3.66  | .91   |
| Misc. Exp                                     | .07   | .10   |
| Outward Freight Expenses                      | 48.00 | 6.24  |
| Park Maintenance Expenses                     | 5.46  | 5.46  |
| Penalty                                       | 3.77  | .74   |

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|  |               | <b>Amounts in Lakhs</b> |
|--|---------------|-------------------------|
| Postage & Courier                                | .03           | .01                     |
| Prior Period Expenses (Net off)                  | 3.68          | 2.99                    |
| Printing & Stationery                            | 1.75          | 2.23                    |
| Reed Repairing                                   | .37           | .64                     |
| Repairs and Maintenance                          | 2.23          | .58                     |
| ROC Expenses                                     | .54           | .36                     |
| Round Off  | .00           | .00                     |
| Sales Promotion Expense                          | .00           | .25                     |
| Security Charges                                 | .87           | 4.43                    |
| Service Charges                                  | .00           | .30                     |
| Shortage   | .00           | .08                     |
| Sundry Debtors w/off                             | 7.40          | 6.08                    |
| Property Tax (Navratna)                          | 1.05          | .00                     |
| Tally Cloud User Fees                            | .94           | .09                     |
| Tally License Renewal Fees                       | .00           | .10                     |
| Travelling Expenses                              | 1.82          | 1.80                    |
| Vehicle Repairing                                | 6.07          | 8.71                    |
| Water Expenses                                   | .41           | .35                     |
| Annual Listing Fees (BSE)                        | 1.18          | .00                     |
| Authorised Capital - Increase                    | 7.50          | .00                     |
| PiT Archive Structured Digital Database Software | .03           | .00                     |
| Stamp Duty for Bonus Shares Allotment (IPO)      | .71           | .00                     |
| Trade Mark Processing (IPO)                      | .10           | .00                     |
| Website Development                              | 1.07          | .00                     |
|  | <u>154.40</u> | <u>95.20</u>            |
|  | <u>262.93</u> | <u>420.29</u>           |

**Note: 29.1**

|   |             |             |
|---|-------------|-------------|
| <b>Payments to the Auditor</b>                                    |             |             |
| As auditors - statutory audit fees                                | 1.25        | .50         |
| Tax Audit report  | .25         | .25         |
| Income Tax Return   | .25         | .25         |
| Others  |             |             |
| 1. IPO Professional Charges (Charges to Security Premium Account) | 3.25        | .00         |
| 2. TDS and Certification Charges                                  | 1.97        | .00         |
|   | <u>6.97</u> | <u>1.00</u> |

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**Note : 30 Disclosure required under companies Act, 2013.**

| Directors Remuneration                                 | Rs in Lakhs |              |
|--|-------------|--------------|
|  | Particulars | Current year |
| Remuneration to director - Rikin BharatBhushan Agarwal | 12.00       | 6.00         |
| Contribution to superannuation fund                    | Nil         | Nil          |

**Note: 31 LEASE EXPENSES**

Operating Lease : Rental is expenses with reference to lease terms and other considerations

(a) The company has taken on sub- lease land at Village Likhala, Taluka Savar Kundla, District Amreli, owned by Government of India and leased by Gujrat Fluorochemicals . The total lease rent paid on the same amounting to Rs. 0.15 and taken on lease w.e.f. .29.12.2021

(b) The company has taken on lease land at Survey No. 402, Dholi Integrated Spinning Park Limited from Dholi Integrated Spinning Park Limited. The total lease rent paid on the same amounting to Rs. 0.04 and taken on lease w.e.f. 21-09-2015.

| Particulars  | Rs in Lakhs  |           |
|--|--------------|-----------|
|  | Current year | Last year |
| Not later than one year                                      | .19          | .19       |
| Later than one year and not later than five years            | .77          | .77       |
| Later than five years  | 4.54         | 4.54      |
| Lease payment recognised in profit & loss A/c for the period | .19          | .19       |
| The total yearly lease payment is                            | .19          | .19       |
| Minimum lease per annum                                      | .19          | .19       |

**Note: 32** In accordance with accounting standard 22 "Accounting for Taxes on Income" (AS22) issued by the ICAI. The company has accounted for deferred taxes during the year.

Following are the major components of deferred tax assets/ (liabilities) :

| Component  | Rs in Lakhs  |                           |  |
|--|--|---------------------------|--|
|  | Deferred Tax Assets / (Liabilities) as at 01.04.2023 | Current year DTA / ( DTL) | Deferred Tax Assets / (Liabilities) as at 31.03.2024 |
| Opening Balance  | -738.16  |                           | -738.16  |
| 1) Difference in depreciation between accounting books and tax return & Gratuity |  | -135.21                   | -135.21  |
| 2)Due to change in life of assets (excess depreciation reversed in books)        |  | .00                       | .00  |
| Total  | -738.16  | -135.21                   | -873.37  |

**Note No. 33** Note No 33.1 During the Financial Year 2016-17 the company has provided depreciation on Air Jet Looms and ancillary machineries relying on the Chartered Engineers S.K. PATEL certificate considering the useful life of 10 years instead of 15 years as provided in Schedule II of Companies Act,2013. During the F.Y.2022-23 the company has decided to provide depreciation on Air Jet Looms and ancillary machineries considering the life of 25 years relying on chartered engineers Mukesh Shah report and board resolution dated 01-04-2022. Accordingly excess depreciation provided in earlier period from 2016-17 to 2021-22 amounting to ₹ 1272.94 (Phase I ₹ 716.73 and Phase II ₹ 556.21) has been credited to balance of profit & loss account as on 01-04-2022 under the head Reserves & Surplus and debited to respective assets account. (Refer Note No. 4.1 & 12.1 )  
Note No 33.2 Further due to change in life of assets during the F.Y. 2022-23 depreciation is charged less by ₹258.27 to Statement of Profit & Loss and disclosed more profit by ₹ 258.27 for F.Y. 2022-23 considering of life of assets have not been changed. (Refer Note No.4.2 & 12.2)

Note No 33.3 The deferred tax liability arose due to such change pertaining to prior period adjustment is being given effect in Reserve & Surplus.

**Note: 34 Earning Per Share**

| Particulars  | 31/03/2024  | 31/03/2023  |
|--|-------------|-------------|
| Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)                  | 1301.75     | 1012.80     |
| Nominal Value per Share  | 10          | 10          |
| Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share | 14,943,803  | 14200000    |
| <b>Basic and Diluted earning per share</b>   | <b>8.71</b> | <b>7.13</b> |

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**Note: 35 Related party Discloser (Accounting Standard 18)**

Description of relationship  
**Key Management Personnel**

**Names of related parties**  
1) Bharatbhushan Agrawal  
2) Rikin Agarwal  
3) Sejal Ronak Agrawal(w.e.f. 31.08.2023)  
4) Kruti Vyas(w.e.f.31.08.2023)  
5) Mohini Singha (C.S. w.e.f.02.08.2023)  
6) Bhavik Rameshbhai Talati (w.e.f.31.07.2023)

**Associates**

Rikin Fabrics Pvt. Ltd.  
Sparsh Fabric Pvt. Ltd

**Relatives Of Key Management Personnel**

1) Urmiladevi Agrawal  
2) Deepika Agrawal  
3) Sneha Talati

**List of Relatives of Key Managerial Personnel and Enterprise over which Key Management Personnel and their relative exercise significant influence with whom transaction have taken place during the year.**

NIL

**A Transaction with related parties**

Rs in Lakhs

| PARTICULARS                                   | Key Managerial Personnel |         | Relatives of Key Managerial Personnel |         | Associates |         |
|---|--------------------------|---------|---------------------------------------|---------|------------|---------|
|   | 2023-24                  | 2022-23 | 2023-24                               | 2022-23 | 2023-24    | 2022-23 |
| <b>1) LOAN TAKEN (Un secured loan)</b>        |                          |         |                                       |         |            |         |
| Bharat Bhushan Agarwal                        | -                        | 387.34  | -                                     | -       | -          | -       |
| Smt. Urmiladevi B Agrawal                     | -                        | .00     | 147.00                                | -       | -          | -       |
| <b>2) LOANS GIVEN</b>                         |                          |         |                                       |         |            |         |
| Rikin Fabrics Pvt. Ltd.                       | -                        | -       | -                                     | -       | -          | -       |
| Deepika Agarwal                               | -                        | -       | -                                     | -       | -          | -       |
| <b>3) LOAN RECEIVED BACK</b>                  |                          |         |                                       |         |            |         |
| Rikin Fabrics Pvt. Ltd.                       | -                        | -       | -                                     | -       | -          | 65.00   |
| Deepika Agarwal                               | -                        | -       | -                                     | -       | -          | -       |
| <b>4) LOAN PAID BACK</b>                      |                          |         |                                       |         |            |         |
| Bharat Bhushan Agarwal                        | 387.34                   | 17.66   | .00                                   | -       | -          | -       |
| Smt. Urmiladevi B Agrawal                     | -                        | -       | 147.00                                | -       | -          | -       |
| <b>5) Material Advance Given</b>              |                          |         |                                       |         |            |         |
| Rikin Chemical                                | .72                      | -       | -                                     | -       | -          | -       |
| <b>5) Material Advance Received back</b>      |                          |         |                                       |         |            |         |
| Rikin Chemical                                | .72                      | -       | -                                     | -       | -          | -       |
| <b>4) PURCHASES</b>                           |                          |         |                                       |         |            |         |
| Sparsh Fabrics Pvt. Ltd.                      | -                        | -       | -                                     | -       | 296.96     | 247.16  |
| Rikin Fabrics Pvt. Ltd.                       | -                        | -       | -                                     | -       | 177.64     | 67.07   |
| Bharat Bhushan Agarwal<br>Prop Bharat Polyfab | 1216.22                  | -       | -                                     | -       | -          | -       |
| <b>5) SALES</b>                               |                          |         |                                       |         |            |         |
| Sparsh Fabrics Pvt. Ltd.                      | -                        | -       | -                                     | -       | 967.00     | 1303.58 |
| <b>6) REMUNERATION</b>                        |                          |         |                                       |         |            |         |
| 1) Rikin Agarwal                              | 12.00                    | 6.00    | -                                     | -       | -          | -       |
| 2) Mohini Singhal                             | 1.87                     | .00     | -                                     | -       | -          | -       |
| 3) Bhavik R Talati                            | 5.14                     | -       | -                                     | -       | -          | -       |
| 4) Sneha Talati                               | -                        | -       | 5.17                                  | -       | -          | -       |
| <b>7) SITTING FEE</b>                         |                          |         |                                       |         |            |         |
| 1) Sejal Ronak Agrawal                        | .34                      | -       | -                                     | -       | -          | -       |
| 2) Kruti Vyas                                 | .60                      | -       | -                                     | -       | -          | -       |
| <b>OUTSTANDING BALANCES:-</b>                 |                          |         |                                       |         |            |         |
| <b>1) LOAN TAKEN</b>                          |                          |         |                                       |         |            |         |
| Bharat Bhushan Agarwal                        | -                        | 387.34  | -                                     | -       | -          | -       |
| Smt. Urmiladevi B Agrawal                     | -                        | -       | -                                     | -       | -          | -       |
| <b>2) LOAN GIVEN</b>                          |                          |         |                                       |         |            |         |
| Rikin Fabrics Pvt. Ltd.                       | -                        | -       | -                                     | -       | -          | -       |
| Deepika Agarwal                               | -                        | -       | -                                     | -       | -          | -       |
| <b>4) DEBTORS</b>                             |                          |         |                                       |         |            |         |
| <b>4) CREDITORS</b>                           |                          |         |                                       |         |            |         |
| Rikin Fabrics Pvt. Ltd.                       | -                        | -       | -                                     | -       | -          | 2.07    |
| <b>5) SALARY PAYABLE</b>                      |                          |         |                                       |         |            |         |
| 1) RIKIN AGARWAL                              | .85                      | .85     | -                                     | -       | -          | -       |
| 2) Mohini Singhal                             | .30                      | -       | -                                     | -       | -          | -       |
| <b>6) SITTING FEES PAYABLE</b>                |                          |         |                                       |         |            |         |
| 1) Sejal Ronak Agrawal                        | .34                      | -       | -                                     | -       | -          | -       |
| 2) Kruti Vyas                                 | .60                      | -       | -                                     | -       | -          | -       |

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**Note: 36**

Rs in Lakhs

|   | <u>Foreign<br/>Exchange<br/>Earnings/outgoi<br/>ngs</u> | <u>Foreign<br/>Exchange<br/>Earnings/outgoi<br/>ngs</u> |
|---|---|---|
| <b>Particular</b>                         | <b>2023-24</b>  | <b>2022-23</b>  |
| Revenue in foreign                        | 0   | 0   |
| Out going Expenditure in foreign currency | 0   | 0   |

**Note: 37 Contingent liabilities and commitments (to the extent not provided for)**

Rs in Lakhs

| <b>Contingent liabilities</b>  | As at 31 March, 2024 | As at 31 March, 2023 |
|--|----------------------|----------------------|
| (a) Claims against the Company not acknowledged as debt  | NIL                  | NIL                  |
| (b) Unexpired Guarantees   |                      |                      |
| (i) Export Obligation under "0" duty EPCG in favour of DGFT amounting to ₹ 1800.47 (P.Y. Rs.1930.46)   | 45.15                | 48.40                |
| (ii) GEDCO against the transmission charges  | 31.13                | 31.13                |
| (c) Other money for which the Company is contingently liable   | NIL                  | NIL                  |
| (d) Income tax Liability for A.Y. 2022-23 Rs. 6.78   | 6.78                 | NIL                  |
| (f) Other commitments :<br>The estimated amount of contracts remaining to be executed on capital account and not provided for against which advance have been paid | .00                  | .00                  |

**Note 38:** Provision for current year's income tax aggregating Rs. 348.00 (P.Y. Rs. 255.73) has been made on estimated basis for the accounting year ended on 31.03.2024. The actual tax liabilities of the company will be determined on the basis of taxable income of the company for F.Y year 2023-24

**Note 39:** During F.Y.2023-24 ,Company was converted from closely held to Public Limited Company on 18.08.2023 and had completed its Initial Public Offering ("IPO")of 26,88,000/- new equity share of face value of Rs.10/- each at premium of Rs.60/- per equity share aggregating to Rs.1881.60 and offer for sale number of equity shares 17,76,000 of face value of Rs.10/- each at premium of Rs.60/ . expenses related to IPO Rs.136.28 was debited against securities premium Account as per Section 52 of Companies Act,2013. Pursuant to the IPO , the equity shares of company have to got listed on the SME Platform of BSE on 27th December, 2023.

**Note 40: Others**

- 40.1 In the opinion of the Board, all the current assets, Loans and advances have a value on the realization in the ordinary course of the business at least equal to the amount at which they are stated.
- 40.2 Balances of sundry debtors, sundry creditors and loans and advances etc., are subject to confirmation and reconciliation, and consequential adjustment, if any.
- 40.3 Previous year figures have been regrouped/ rearranged so as to make them comparable with current year's figures.

**Note : 41** There is no Expenditure incurred on employees in receipt of remuneration of not less than Rs.24.00(Rupees twenty four lakh only) per annum or Rs 2.00 (rupees two lac only) per month, if employed throughout the year or part of the year.

**Note :42** Note No. 6.1 During the year the company has gathered information in respect of whether supplier of goods & services are covered under the MSME Act 2006, the information has been provided as per imformations and explanation provided by the company ( Previous Year as per information and explanation the company has not gathered information as regards whether supplier of goods and or services are covered under the MSME Act, 2006. Hence, we are unable to provide the required information.)



## SHANTI SPINTEX LIMITED

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### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### Note: 43 Segment Reporting

For Management Purpose, the Company is currently organised into two major operating activities – 1) Textile Manufacturing and 2) Renewable energy : Windmill Operations and rooftop solar energy .These divisions are the basis on which the Company reports its primary segment information

(i) Segment assets and liabilities:

Company is having two segments of business, Assets and Liabilities are bifurcated segment wise.

(ii) Segment revenue and expenses

Segment revenue and expenses are taken directly as attributable to the segment. It does not include interest income on inter- corporate deposits, Profit on sale of investments, Interest expense, Provision for Contingencies and Income-tax.

The company operates primarily in India and there is no other significant geographical segment

Rs in Lakhs

| PARTICULARS                       | 31/03/2024 | 31/03/2024       | 31/03/2024 | 31/03/2023 | 31/03/2023       | 31/03/2023 |
|-----------------------------------|------------|------------------|------------|------------|------------------|------------|
|                                   | Textile    | Renewable energy | TOTAL      | Textile    | Renewable energy | TOTAL      |
| <b>REVENUE</b>                    |            |                  |            |            |                  |            |
| Domestic Income                   | 50135.91   | 447.15           | 50583.06   | 36840.18   | 193.04           | 37033.22   |
| Export Income                     | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |
| Inter-segment Income              | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |
| <b>RESULTS</b>                    | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |
| Segment Results                   | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |
| Unallocated Corporate Exps        | NIL        | NIL              | 48596.19   | NIL        | NIL              | 35320.01   |
| Operating Profit                  | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |
| Interest Expense                  | 221.13     | 101.47           | 322.60     | 259.72     | 77.66            | 337.38     |
| Interest Income                   | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |
| Other Income                      | 125.46     | NIL              | 125.46     | 38.05      | NIL              | 38.05      |
| Deferred tax                      | NIL        | NIL              | 135.21     | NIL        | NIL              | 140.24     |
| Income tax                        | NIL        | NIL              | 352.77     | NIL        | NIL              | 260.84     |
| Net Profit                        | NIL        | NIL              | 1301.75    | NIL        | NIL              | 1012.80    |
| <b>OTHER INFORMATION</b>          |            |                  |            |            |                  |            |
| Segment assets                    | 17886.71   | 1512.80          | 19399.51   | 16321.55   | 1266.79          | 17588.33   |
| Unallocated Corporate Asset       | NIL        | NIL              |            | NIL        | NIL              |            |
| Total Assets                      | 17886.71   | 1512.80          | 19399.51   | 16321.55   | 1266.79          | 17588.33   |
| Segment Liabilities               | 9866.60    | 876.12           | 10742.73   | 11022.19   | 956.45           | 11978.63   |
| Unallocated Corporate Liabilities | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |
| Capital Expenditure               | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |
| Depreciation                      | 409.55     | 67.55            | 477.10     | 408.86     | 42.69            | 451.55     |
| Other on Capital Expenditure      | NIL        | NIL              | NIL        | NIL        | NIL              | NIL        |

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**Note: 44 Other Statutory Disclosure**

**Rs in Lakhs**

**44.1** (a) There is no such property wherein there is an issue with the title, hence the title deeds related disclosures are not given

(b) The company does not have any investment in property hence, comment related to revaluation is not made

(c) During the year, the company has not revalued its intangible assets or any asset of Property, Plant & Equipment, hence, disclosure related to revaluation is not made

(d) The company has given loans and advances which are either repayable on demand or are without specifying any terms or period of repayment. The disclosures related to loans and advances given to related party are given as under -

| Type of Borrower | 31.03.24   |   | 31.03.23   |   |
|------------------|--|---|--|---|
|                  | Amount of loan or advance in the nature of loan outstanding 31.03.2024 | percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding 31.03.2023 | percentage to the total loans and advances in the nature of loans |
| Promoters        | NIL  | NIL   | NIL  | NIL   |
| Directors        | NIL  | NIL   | NIL  | NIL   |
| KMPs             | NIL  | NIL   | NIL  | NIL   |
| Related Parties  | NIL  | NIL   | NIL  | NIL   |

**44.2** Ageing schedule of CWIP is given during the year:

**For FY 2023-24**

**(a) For Capital-work-in progress**  
(Amount in Lakhs)

| CWIP            | Amount in CWIP for a period of |           |   |                   | Total |
|-----------------|--------------------------------|-----------|---|-------------------|-------|
|                 | Less than 1 year               | 1-2 years |   | More than 3 years |       |
| No such Project | -                              | -         | - | -                 | -     |
|                 | -                              |           |   |                   | -     |

There is no capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its

(Amount in Lakhs)

| CWIP     | To be completed in |           |           |                   | Total |
|----------|--------------------|-----------|-----------|-------------------|-------|
|          | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| Projects | No such CWIP       |           |           |                   |       |

**For FY 2022-23**

**(b) For Capital-work-in progress**  
(Amount in Lakhs)

| CWIP | Amount in CWIP for a period of |           |  |                   | Total |
|------|--------------------------------|-----------|--|-------------------|-------|
|      | Less than 1 year               | 1-2 years |  | More than 3 years |       |
|      |                                |           |  |                   | -     |

(Amount in Lakhs)

| CWIP     | To be completed in |           |           |                   | Total |
|----------|--------------------|-----------|-----------|-------------------|-------|
|          | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| Projects | No such CWIP       |           |           |                   |       |

**44.3** The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

**44.4** As on the reporting date, the company has no borrowings from banks or financial institutions on the basis of security of current assets and for which quarterly returns are submitted and these are in agreement with books of account of the company

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

44.5 The company is not declared a wilful defaulter by any bank or financial Institution or other lender.

44.6 The company does not have any transactions with struck off Companies.

44.7 The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

44.8 Company has complied with with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017

44.9 Ratios for FY 23-24 and FY 22-23 are presented as under:

| Ratio                              | Numerator  | Denominator   | Current period | Previous period | % variance | Reason for variance  |
|------------------------------------|--|---|----------------|-----------------|------------|--|
| - Current Ratio                    | Current Assets   | Current Liabilities   | 1.97           | 1.56            | 26%        | Due to Increase in Current Assets                          |
| - Debt-Equity Ratio                | Total Debt   | Shareholder's Equity  | 0.36           | 0.86            | -58%       | Due to Increase in Equity and R & S                        |
| - Debt Service Coverage Ratio      | Earnings for debt service                                      | Debt service (Interest & Lease Payments + Principal Repayments)             | 1.44           | 1.34            | 7%         |  |
| - Return on Equity Ratio           | Net profit after tax - Preference Dividend                     | Average shareholder's equity  | 15%            | 21%             | -27%       | Due to Increase in Profit after Tax and Increase in equity |
| - Inventory turnover ratio         | Cost of goods sold   | Average Inventory   | 27.09          | 25.86           | 5%         |  |
| - Trade Receivables turnover ratio | Net Credit sales (Gross credit sales - sales return)           | Average Trade Receivables   | 6.40           | 6.17            | 4%         |  |
| - Trade payables turnover ratio    | Net credit purchase (Gross credit purchases - purchase return) | Average Trade payables  | 8.86           | 6.61            | 34%        | Increase in Purchase by 36%                                |
| - Net capital turnover ratio       | Net sales (Total sales - sales Return)                         | Working capital (Current assets - Current liabilities)                      | -17.19         | -9.20           | 87%        |  |
| - Net profit ratio                 | Net profit after tax   | Net sales (Total sales - Sales Return)                                      | 2.57%          | 2.73%           | -6%        |  |
| - Return on Capital employed       | Earnings before interest and tax                               | Capital Employed (Tangible Net worth + Total Debt + Deferred Tax Liability) | 18%            | 13%             | 34%        | Due to Increase in Profit                                  |
| - Return on investment             | Interest (Financial Income)                                    | Investment  | 0.00           | 0.00            | 0%         |  |

44.10 During the year, company has not entered in any scheme of arrangements as specified in Section 230 to Section 237 of the Companies Act,2013

44.11 The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) 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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,

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- 44.12 The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :
- (i) 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
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 44.13 The company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 44.14 During the year the Income Tax department has made order u/s 147 & u/s143(3) for Assessment Year 2022-23 on 31.03.2024, raised the demand of Rs. 6.78 for Assessment year 2022-23 , the company has filled appeal with Income Tax department before CIT-A for Assessment year 2022-23. In view of preffering appeal no provision have been made of tax & interest payable total amounting to Rs.6.78 has been made in the accounts.
- 2) Further , the Company has received notice for scrutiny assessment for the assessment year 2023-24 on 14.02.2024 .Further the company has received notice U/ S 148 for assesment of the company for A.Y.2016-17 to 2018-19 . The scrutiny proceeding and proceddings U/S 148 have been initiated pursuant to a search & seizure operation carried by the Income Tax Authorities on Chiripal Groups and their key person on 20.07.2022 in which our company's name has been mentioned in warrant. In the opinion of management prima facie the Company does not expect additional liability as a result of scrutiny assessment, hence no provision has been made by the Comapany.
- 44.15 The Company has complied with the provision of section 135 of the Companies Act,2013.
- 1)Amount required to be spent by Company during the year Rs.9.10.
  - 2)Amount of expenditure spent Rs.9.10 payment made to Saamarthya Foundation having project of Organisations are developing on spreading education of drug addiction in youth across India (P.Y. Not applicable )
  - 3) Short fall at to end of the year Rs. Nil/(P.Y. Not Applicable)

: Signatures to Notes on Account Note no :1 to 44

UDIN: 24016613BJZYK5736  
For M/s ANIL SHAH & CO.  
Chartered Accountants  
FRN : 100474W

Anil Shah  
Partner  
Membership No : 016613

Place: Ahmedabad  
Date: 13.05.2024  
UDIN: 24016613BJZYK5736

Bharatbhusan Agarwal  
Whole Time Director & CFO  
DIN:302785

Rikin Agarwal  
Managing Director  
DIN: 2435645

Mohini Singhal  
Company Secretary  
Membership No. A47724

Place : Ahmedabad  
Date: 13.05.2024