Axtel Industries Limited

Regd. Office-Vadodara Halol Highway, Baska,
Panchmahals - 389350, Gujarat,
Email-info@axtelindia.com,
Website-www.axtelindia.com, Tel-+91 2676-247900
CIN:- L91110GJ1991PLC016185

Date: 02-09-2020

The Corporate Relationship Dept.,
The Bombay Stock Exchange Limited,
Ground Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

Sir,

Sub.: Submission of revised Annual Report-2019-20

Scrip Code: 523850

We submit revised annual report for the financial year 2019-20 as required under regulation 34(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as some pages of Annual report sent on 01-09-2020 to BSE was not legible.

Annual General Meeting of our Company will be held on 25-09-2020 at 11.00 a.m. through VC /OVAM.

Thanking you,

Yours faithfully

FOR AXTEL INDUSTRIES LIMITED

Prerna Sudeep Bokil
Company Secretary

AXTEL

Process
Engineering
Systems

Annual Report
2019-2020

AXTEL INDUSTRIES LIMITED

TWENTY EIGHTH ANNUAL REPORT 2019-2020

BOARD OF DIRECTORS	:	1. Shri Sandeep Lalwani, Chairman & Independent Director 2. Shri Ajay Naishad Desai, Executive Director 3. Shri Ajay Nalin Parikh, Executive Director 4. Shri Ajit Singh Bubber, Non-Executive Director 5. Shri Ameet Nalin Parikh, Non-Executive Director 6. Smt. Deepti Sharma, Independent Director 7. Shri Kirit Kumar Pathak, Non-Executive Director 8. Shri Nimish Patel, Independent Director
COMPANY SECRETARY	:	Mrs. Prerna Sudeep Bokil
CHIEF FINANCIAL OFFICER	:	Mr. Rajendra K. Bhavsar
AUDITORS	:	VCA & Associates, Chartered Accountants, Vadodara.
BANKERS	:	Bank of Baroda, Halol
REGISTERED OFFICE & WORKS	:	Vadodara-Halol Highway, Baska, Panchmahal-389350, Gujarat Tel : [02676] 247900 Fax : [02676] 247125
Corporate Identification Number (CIN)	:	L91110GJ1991PLC016185
E-mail address	:	info@axtelindia.com
Website	:	www.axtelindia.com

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of Axtel Industries Limited will be held at 11.00 a.m. on Friday, 25th September, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Kirit Kumar Pathak (DIN 01849295), who retires by rotation and being eligible offers himself for re-appointment.
3. To declare dividend for the financial year ended 31st March, 2020.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass the following resolutions as Special Resolutions:

   RESOLVED that pursuant to section 197, 200 and other provisions applicable, if any and schedule V of the Companies Act, 2013 and subject to approval of the Central Government or any other authority required, if any, consent of the members of the Company is accorded to fix remuneration of Shri Ajay Naishad Desai, Executive Director (DIN: 00452821) of the Company with effect from the 1st April, 2021 within the limits prescribed hereunder from time to time:

   [i] Salary:

   Not exceeding Rs.15,00,000 (Rupees Fifteen Lac Only) per month [including perquisites and other allowance, if any]

   [ii] Perquisites and other allowances:

   Perquisites and other allowances shall also be allowed in addition to salary. However, total managerial remuneration by way of salary, perquisites and other allowances shall not exceed the overall limit of Rs.1,80,00,000 (Rupees One Crore Eighty Lac Only) per annum.

   [iii] Gratuity payable should not exceed half a month's salary for each completed year of service.

   [iv] Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

   [v] Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/ remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

   RESOLVED FURTHER THAT, where in any financial year, during the currency of tenure of Shri Ajay Naishad Desai as Executive Director, the Company has no profit or its profits are inadequate, it may pay him minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above for a period from 1st April, 2021 to 28th February, 2022.

5. To consider and if thought fit, to pass the following resolutions as Special Resolutions:

   RESOLVED that pursuant to section 197, 200 and other provisions applicable, if any and schedule V of the Companies Act, 2013 and subject to approval of Central Government or any other authority required, if any, consent of the members of the Company is accorded to fix remuneration of Shri Ajay Nalin Parikh, Executive Director (DIN: 00453711) of the Company with effect from the 1st April, 2021 within the limits prescribed hereunder from time to time:

   [i] Salary:

   Not exceeding Rs.15,00,000 (Rupees Fifteen Lac Only) per month [including perquisites and other allowance, if any]

   [ii] Perquisites and other allowances:

   Perquisites and other allowances shall also be allowed in addition to salary. However, total managerial remuneration by way of salary, perquisites and other allowances shall not exceed the overall limit of Rs.1,80,00,000 (Rupees One Crore Eighty Lac Only) per annum.

   [iii] Gratuity payable should not exceed half a month's salary for each completed year of service.

   [iv] Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

   [v] Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/ remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

   RESOLVED FURTHER THAT, where in any financial year, during the currency of tenure of Shri Ajay Nalin Parikh as Executive Director, the Company has no profit or its profits are inadequate, it may pay him minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above for a period from 1st April, 2021 to 31st July, 2023.

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act 2013 and rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 60,000 (Rupees Sixty Thousand Only) and re-imbursement of out of pocket expenses, which may be incurred by M/s K. H. Shah & Co., Cost Accountants in Practice appointed as Cost Auditor of the Company for the financial year 2020-21, be and is hereby ratified.

By the Order of the Board of Directors

Date:26/06/2020
Registered Office :
Vadodara-Halol Highway
Baska, Panchmahal-389350
Gujarat

Ajay Naishad Desai
Executive Director
DIN: 00452821

NOTES:

1) In view of the continuing outbreak of COVID-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India (referred to as "SEBI Circular") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue to follow social distancing norm and the continuing restriction on movement of persons at several places in the country. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

3) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to investors@axtelindia.com with a copy marked to enotices@linkintime.co.in

5) The register of members and share transfer book will remain closed from Saturday, the 19th September, 2020 to Friday, the 25th September, 2020 [both days inclusive]. Members may join the 28th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10:30 a.m. IST i.e. 30 minutes before the time scheduled to start the 28th AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 28th AGM. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6) As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("LIIPL") for assistance in this regard.

7) To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with LIIPL in case the shares are held by them in physical form.

8) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to LIIPL in case the shares are held by them in physical form.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.

9) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company before 7 days of the date of AGM through email on investors@axtelindia.com. The same will be replied by the Company suitably.

10) Pursuant to Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to LIIPL in case the shares are held in physical form.

11) The company has created an exclusive E-mail. Id: investors@axtelindia.com for quick redressal of shareholders/investors grievances.

12) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.axtelindia.com.

13) In terms of Section 152 of the Companies Act, 2013, Shri Kirit Kumar Pathak (DIN 01849295), Director retires by rotation at the ensuing annual general meeting and being eligible, offers himself for reappointment.

14) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company is pleased to provide E-voting facility through Link Intime India Private Limited (LIIPL) for all the members of the Company to enable them to cast their votes electronically. The instructions for E-voting are attached herewith.

16) The Board of Directors of the Company has appointed Mr. Dineshchandra Mangaldas Mehta of M/s. Dinesh Mehta & Co., Company Secretary in Practice as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

17) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member as on the cut-off date i.e Friday, 18th September, 2020. A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. Friday, 18th September, 2020 only, shall be entitled to avail the facility of e-voting / Poll.

18) The Scrutinizer, after scrutinising the votes cast at the meeting through e-voting and through remote e-voting will, not later than 48 hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.axtelindia.com and the results shall simultaneously be communicated to the Bombay Stock Exchange.

19) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.

20) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this notice.

21) Explanatory statement setting out all material facts concerning the special business u/s 102 of the Companies Act, 2013 is annexed hereto.

The instructions for shareholders voting electronically are as under:

i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by LIIPL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below:

ii) The remote e-voting period begins from 9.00 a.m. (IST) on Tuesday, 22nd September, 2020 and end e-voting at 5.00 p.m. (IST) on Thursday, 24th September, 2020. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th September, 2020, may cast their vote electronically. The e-voting module shall be disabled by Link In time for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM, but shall not be entitled to cast their vote again.

v **How to Log-in to e-Voting website of Link Intime India Private Limited (LIIPL)**

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

   Those who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

   - Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

     A. User ID: Enter your User ID

     - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
     - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
     - Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

     B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

     C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/ MM/YYYY format)

     D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

     - Shareholders/ members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
     - Shareholders/ members holding shares in **NSDL demat account shall provide 'D', above**
     - Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

   - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
   - Click "confirm" (Your password is now generated).

   NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under **'SHARE HOLDER'** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**
4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
7. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

   If you have forgotten the password:

   - Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
   - Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/ demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

1. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
   a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
   b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
   c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

   If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

   Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field / Address stickers.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

   If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

   If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

   Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

   Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

   NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

   For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

   It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

v **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**.

  They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body' login** for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/ demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us **:-** Tel : 022 - 49186000.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in
   - Select the **"Company"** and **'Event Date'** and register with your following details: -
     - **A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
       - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
       - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
       - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
     - **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
     - **C. Mobile No.:** Enter your mobile number.
     - **D. Email ID:** Enter your email id, as recorded with your DP/Company.
   - Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

   Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the investors@axtelindia.com, email id specifically created for investors by the Company.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

   Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by LIIPL at https://instavote.linkintime.co.in by using their remote e-voting login credentials and selecting the EVEN 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 of LIIPL.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investors@axtelindia.com from 9.00 a.m. (IST) on 22nd September, 2020 and end e-voting at 5.00 p.m. (IST) on 24th September, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

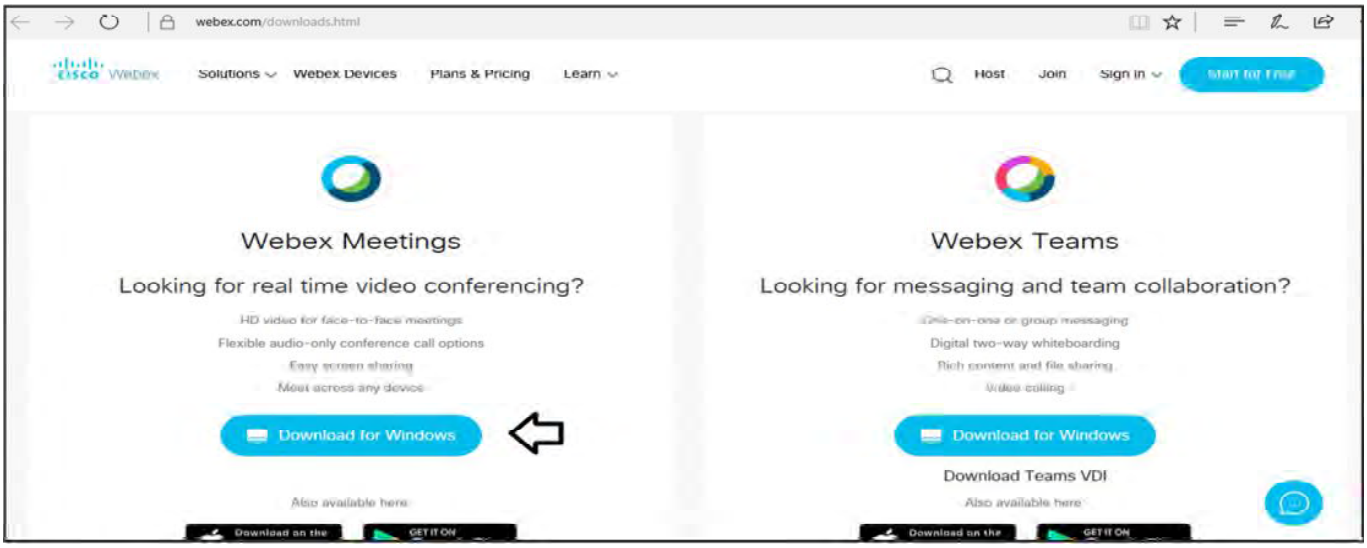
Other Instructions

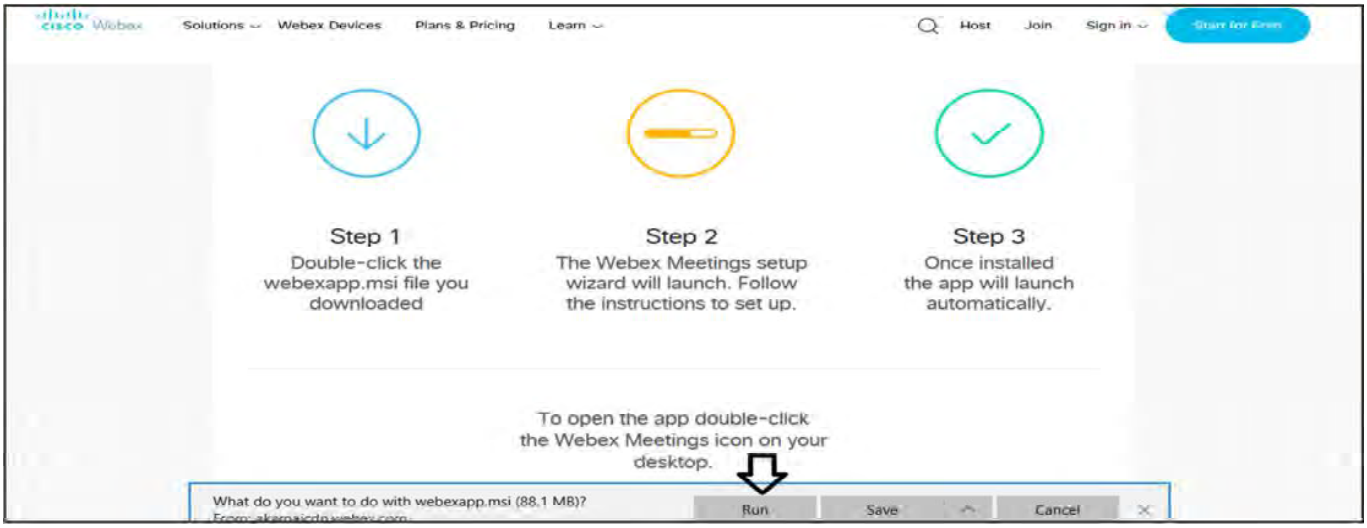
1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.axtelindia.com immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

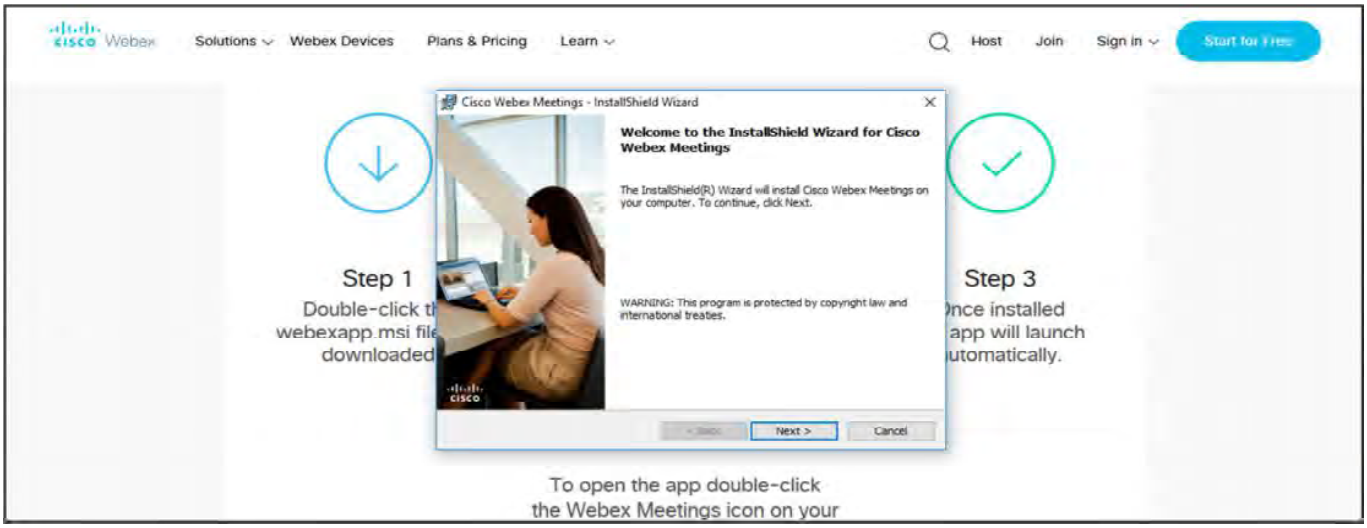
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

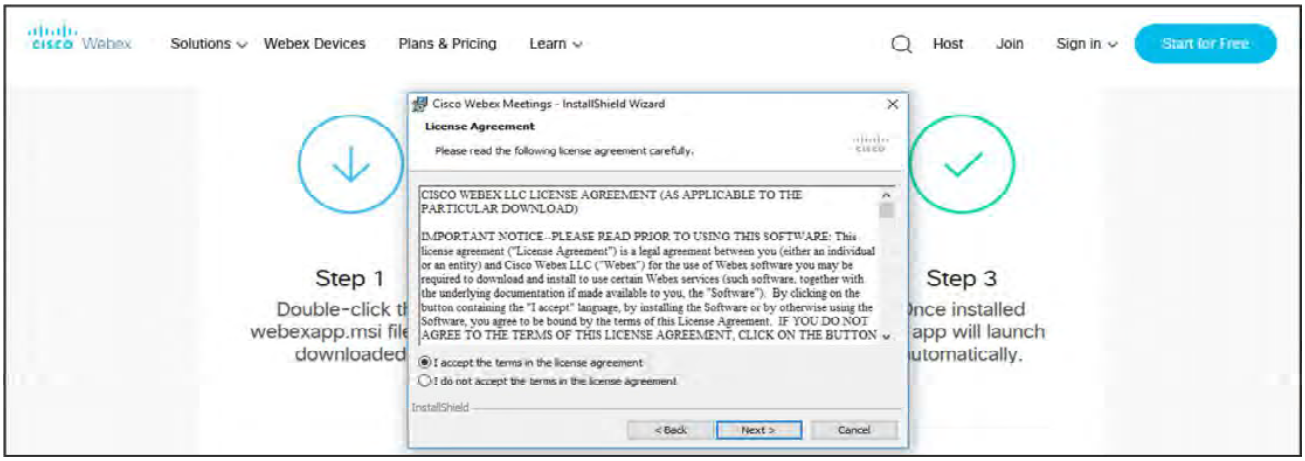
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

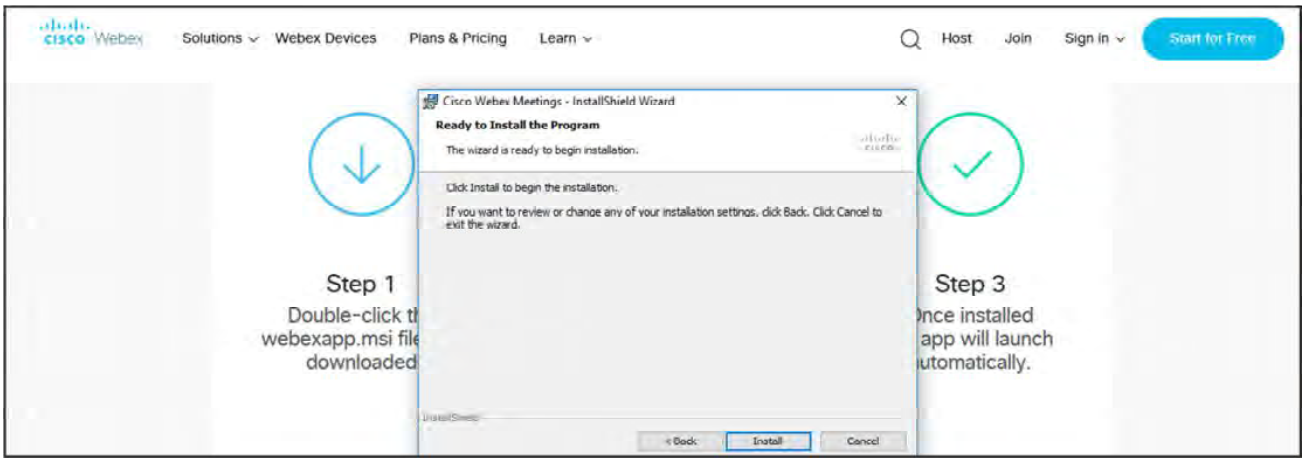
a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/







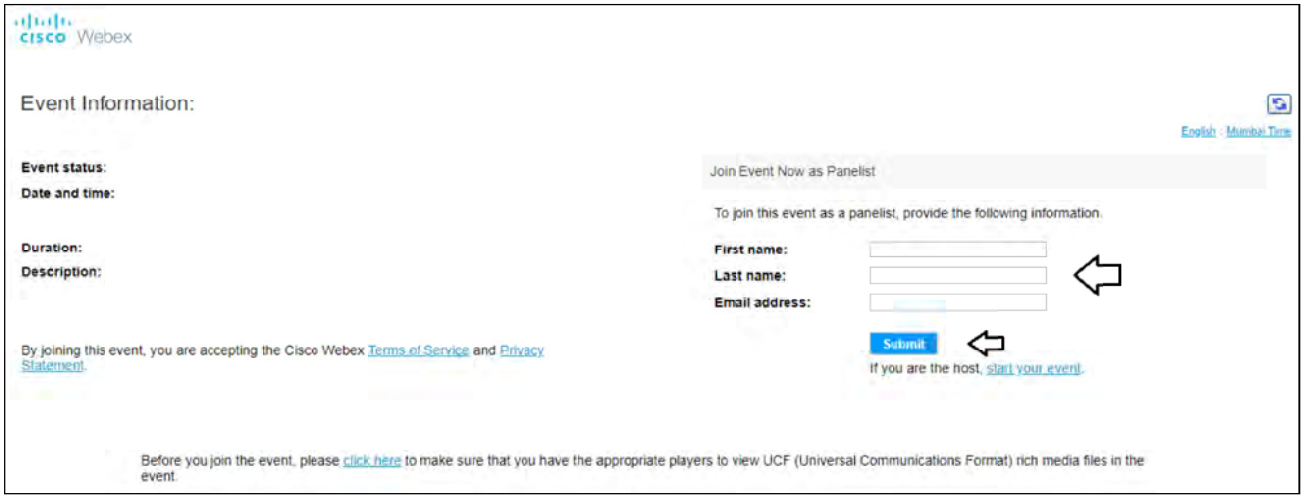




or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



Explanatory statement in respect of the special business u/s 102 of the Companies Act, 2013

Item No.4

Shri Ajay Naishad Desai was re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st March, 2017 as per special resolutions passed by the members of the Company at the annual general meeting of the Company held on 30th September, 2016.

He is looking after the marketing and administration department of the Company. He is paid remuneration of Rs.12,50,000 per month as per special resolution passed at the annual general meeting of the members of the Company held on 28th September,2018. Looking to the responsibilities shouldered by Shri Ajay Naishad Desai, nomination and remuneration committee of the Company has recommended to take approval of members to increase his remuneration to Rs. 15,00,000 per month.

The information required as per clause iv of proviso of section II of part II of schedule V of the Companies Act,2013 is furnished hereunder:

I. General Information:

1. **Nature of Industry :** Engineering industry manufacturing food processing plant, machinery and equipment and dairy machinery since 1993.
2. **Financial Performance :** The Company's net profit after taxation is Rs. 1089.06 lacs for the year ended 31st March, 2020.
3. **Export Performance:** The Company has made export of Rs. 2006.51 lacs during the year ended 31st March, 2020.

II. Information about Shri Ajay Naishad Desai, Appointee :

1. **Back Ground Details:** He is a 1st Class graduate in Electrical Engineering. He possesses over 39 years of wide and rich experience in the field of process and equipment design for food and pharmaceutical industries.
2. **Past remuneration :** He is paid remuneration of Rs.12,50,000 per month.
3. **Recognition or awards : Nil**
4. **Job profile and his suitability:**
   - Graduated from The Maharaja Sayajirao University at Vadodara in the year 1981 as an Electrical Engineer and having scored a first class. He possesses over 39 years of experience in the field of process and equipment design for food and pharmaceutical industries. A brief overview of his career profile is as follows:
   - 1981-83: Worked as a marketing and sales engineer with M/s Finex Sieves Pvt. Ltd., who were at that time a leading company for supply of knowhow and equipment for sieving and straining applications in food, pharmaceutical, chemical, paint, paper and other industries. Shri Ajai Naishad Desai was instrumental in increasing the turnover of the company manifold, which was achieved in a short period.
   - 1985-86: Together with others, he formed a partnership company, Aro-Grad Engineering and set up a workshop to manufacture equipment for food and dairy industries. The first customer of Aro-Grad Engineering was Amul Dairy followed by the National Dairy & Development Board. Shri Ajai Naishad Desai worked closely with eminent personalities such as Dr. Verghese Kurien, Dr. V.H.Shah and others to develop various dairy and food equipment as import substitutes for many large dairies all over India. During this period he gained rich experience in the design, development, manufacture and use of GMP equipment for the dairy, food and pharmaceutical sectors.
   - 1986-92: Promoted Age Technologies Pvt. Ltd. which was a larger version of Aro-Grad Engineering. This company continued the activities of Aro-Grad Engineering, with a substantially increased manufacturing facility. Age Technologies successfully commissioned various equipment and plants for dairies, food, animal feed and other similar industries. Many of these were import substitutes, eliminating the need for importing similar equipment from advanced countries.
   - 1992-till date, as Executive Director with Axtel Industries Ltd. since its inception. Due to Mr. Ajay Desai's efforts, Axtel today is the preferred supplier to Indian and MNC food processing companies such as Kraft Foods, Nestle, Cadbury, GlaxoSmithKline, Heinz, ITC, Unilever and several others in India and abroad. Axtel, under the leadership of Mr. Ajay Desai, has over the last 28 years designed processes/systems equivalent to the best in class. Axtel is represented in Western Europe by M/s AnuTec GmbH, Switzerland. Axtel also works very closely with M/s Wenger Inc., U.S.A. for Food and Feed Extrusion Systems.
5. **Remuneration proposed:** Rs.15,00,000/- (Rupees Fifteen Lacs only) per month.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Figure with respect to industry is not available. However, proposed remuneration payable to Shri Ajay Naishad Desai is low comparing his efforts and responsibility as Executive Director of the Company.
7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:** Shri Ajay Naishad Desai has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Executive Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company.

III. Other information:

1. **Reasons for inadequate profit:** Due to recessionary trend prevailing in India and abroad the Company could not procure more orders and as a result sales and profit could not be increased as expected.
2. **Steps taken or proposed to be taken for improvement:** The Company has expanded its production capacity by expansion of its existing factory shed and installed more machineries to cope with the rise in orders from the clients.
3. **Expected increase in productivity and profits in measurable terms:** As Company is manufacturing tailor made plants / machinery, it is very difficult to give expected production and profits in measurable terms.

IV. Disclosures:

Other disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the annual report.

The Board of Directors recommends the resolution for the approval of the members.

No Director, Key Managerial Personnel or their relatives, except Shri Ajay Naishad Desai for drawing his remuneration is directly or indirectly concerned or interested in the above resolution, except to the extent of his shareholding (including his relatives), if any, in the Company.

This explanatory statement together with the accompanying notice may also be considered as an abstract of terms and conditions of the contract for the remuneration of Shri Ajay Naishad Desai as Executive Director.

Item No.5

Shri Ajay Nalin Parikh was re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st August, 2018 as per special resolutions passed by the members of the Company at the annual general meeting of the Company held on 28th September,2017.

He is looking after the design and production departments of the Company. He is paid remuneration of Rs.12,50,000 per month at present. Looking to the responsibilities shouldered by Shri Ajay Nalin Parikh, nomination and remuneration committee of the Company has recommended to take approval of members to increase his remuneration to Rs. 15,00,000 per month.

The information required as per clause iv of proviso of section II of part II of schedule V of the Companies Act, 2013 is furnished hereunder:

I. General Information:

1. **Nature of Industry :** Engineering industry manufacturing food processing plant, machinery and equipment and dairy machinery since 1993.
2. **Financial Performance :** The Company's net profit after taxation is Rs. 1089.06 lacs for the year ended 31st March, 2020.
3. **Export Performance:** The Company has made export of Rs. 2006.51 lacs during the year ended 31st March, 2020.

II. Information about Shri Ajay Nalin Parikh, Appointee :

1. **Back Ground Details:** He is a Bachelor of Engg. (Mechanical) with distinction from The Maharaja Sayajirao University at Vadodara in the year 1980. He possesses over 38 years of experience in the field of design, engineering and manufacturing of high quality process equipment and plant for the food and pharmaceutical industries**.**
2. **Past remuneration :** He is paid remuneration of Rs. 12,50,000 per month.
3. **Recognition or awards : Nil**
4. **Job profile and his suitability:**

   Shri Ajay Nalin Parikh is a Bachelor of Engg. (Mechanical) with distinction from The Maharaja Sayajirao University at Vadodara in the year 1980. He possesses over 38 years of experience in the field of design, engineering and manufacturing of high quality process equipment and plant for the food and pharmaceutical industries. A brief overview of his career profile is as follows:

   - 1980-82 worked as a Design Engineer with M/s Vulcan Engineers Pvt. Ltd., Mumbai, who are engaged in providing complete heat treatment plant and furnaces for large steel manufacturers and for wheel and axle plants of the Indian Railways. As a design engineer, he was responsible for heat and mass transfer calculations, machine and equipment design, structural design, P & IDs and plant drawings and leading a team of draftsmen to produce detailed manufacturing drawings.
   - 1982-84 worked as Design Engineer for Finex Sieves Pvt. Ltd. at Vadodara, manufacturing rotary and gyratory sieving and straining equipment for the food, pharmaceutical and chemical industries.
   - 1984-85 He ventured out on his own and was partner in a company called Wynsales. Wynsales represented various engineering goods manufacturing companies for sales in the State of Gujarat. Here he was responsible in selling material handling equipment, non-destructive testing equipment and other engineered equipment.
   - 1985-86 He formed another company, Aro-Grad Engineering and set up a workshop to manufacture equipment for the food and dairy industry. The first customer of Aro-Grad Engineering was Amul Dairy followed by the National Dairy & Development Board. Mr. Parikh worked closely with eminent personalities such as Dr. V. H. Vyas, Dr. Kurien and others to develop various dairy and food equipment as import substitutes for many large dairies all over India.

During this period he gained rich experience in the design, development, manufacture and use of GMP equipment for the dairy, food and pharmaceutical sectors.

- 1986-92 Promoted and managed Age Technologies Pvt. Ltd. which continued the activities of Aro-Grad Engineering with a much larger manufacturing facility at Vadodara. Age Technologies successfully commissioned various cattle feed, dairy and powder handling plant and equipment. Many of these substituted the need for importing such equipment from Europe and other developed countries.
- 1992-till date, as Executive Director with Axtel Industries Ltd. since its inception. He was involved in setting up the company, its manufacturing facilities and subsequent expansion of the same. During his tenure Shri Ajay Nalin Parikh has to his credit the development of a very large range of equipment, plant and machinery, most of which are import substitutes. Axtel today has a state-of-the-art manufacturing facility and is the preferred supplier to many multi-national and large FMCG and food processing companies in India and abroad. Axtel, under the leadership of Shri Ajay Nalin Parikh, has over the last 20 years developed and manufacture these equipment equivalent to the best in class that are made in the developed nations. Various innovative ideas have also been applied for indigenization and cost reduction. All of these have been completely developed in-house without any foreign collaboration. Axtel exports these equipment and machinery to Europe, Middle East, Far East and our neighbouring countries to the various food manufacturing companies there.

5. **Remuneration proposed:** Rs.15,00,000/- (Rupees Fifteen lacs only) per month.
6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** Figure with respect to industry is not available. However, proposed remuneration payable to Shri Ajay Nalin Parikh is low comparing his efforts and responsibility as Executive Director of the Company.
7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:** Shri Ajay Nalin Parikh has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Executive Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company.

III. Other information:

1. **Reasons for inadequate profit:** Due to recessionary trend prevailing in India and abroad the Company could not procure more orders and as a result sale and profit could not be increased as expected.
2. **Steps taken or proposed to be taken for improvement:** The Company has expanded its production capacity by expansion of its existing factory shed and installed more machineries to cope with the rise in orders from the clients.
3. **Expected increase in productivity and profits in measurable terms:** As Company is manufacturing tailor made plants / machinery it is very difficult to give expected production and profits in measurable terms.

IV. Disclosures:

Other disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the annual report.

The Board of Directors recommends the resolution for the approval of the members.

No Director, Key Managerial Personnel or their relatives, except Shri Ajay Nalin Parikh for drawing his remuneration and Shri Ameet Nalin Parikh, Director being a relative of Shri Ajay Nalin Parikh is directly or indirectly concerned or interested in the above resolution.

This explanatory statement together with the accompanying notice may also be considered as an abstract of terms and conditions of the contract for the remuneration of Shri Ajay Nalin Parikh as Executive Director.

Item No.6

Your Company is required to appoint Cost Auditor as per section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. Audit committee of your Company has recommended the appointment of M/s. K. H. Shah & Co., as Cost Auditor of the Company for the financial year 2020-21 and also recommended their remuneration of Rs. 60,000 and out of pocket expenses incurred, if any. The Board of Directors of your Company has agreed with the recommendation for appointment of M/s. K. H. Shah & Co., as Cost Auditor and also their remuneration of Rs. 60,000/- and out of pocket expenses incurred, if any. Your Board has appointed M/s. K. H. Shah & Co., as Cost Auditor of the Company for the financial year 2020-21.

Your Board recommends ratification of remuneration including out of expenses of Cost Auditor of your Company.

No Director, Key Managerial Personnel or their relatives, is directly or indirectly concerned or interested in the above resolution.

By the Order of the Board of Directors

Date:26/06/2020
Registered Office:
Vadodara Halol Highway,
Baska, Gujarat – 389350

Ajay Naishad Desai
Executive Director
DIN: 00452821

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2020.

1. Financial summary

The financial results for the year are as under: [Rupees in Lacs]

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Sales and other Income	10355.02	11350.20
Profit before depreciation, amortization and exceptional items	1754.62	2214.97
Less: Depreciation and amortization	268.14	279.67
Less: Exceptional items	NIL	115.78
Profit before tax	1486.48	1819.52
Less: Provision for tax	401.13	538.06
Provision for deferred tax	(3.71)	(14.46)
Profit after taxation	1089.06	1295.92

2. Dividend

Your Board had declared interim dividend @ Rs. 2.50 (Rupee Two and Paise Fifty Only) per equity share (i.e. 25%) of Rs.10 for the financial year 2019-20 at the meeting of the Board of Directors held on 2nd March, 2020. The Board recommend the said dividend as final dividend for the financial year 2019-20.

3. Reserves

Your Board does not propose to carry to any reserves for the financial year 2019-20.

4. Brief description of the Company's working during the year/State of Company's affair

Total turnover during the year 2019-20 decreased by Rs. 1109.79 lac (decrease of 10.02%) compare to previous year 2018-19 and there is profit of Rs. 1089.06 lac (after tax) during the year 2019-20 against profit of Rs. 1295.92 lac (after tax) during the year 2018-19.

5. Change in the nature of business, if any

There is no change in the nature of business during the financial year 2019-20.

6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report. Though your Company had closed its production activities from 23rd March, 2020 till 23rd April, 2020 (i.e. for 32 days) during nationwide lockdown period due to outburst of pandemic situation - COVID-19.

7. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the financial year and or subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

8. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has appointed internal auditor for adequacy of internal financial controls and your Board has taken adequate care for financial control.

9. Details of Subsidiary/Joint Ventures/Associate Companies

Your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

10. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement, if any.

Your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

11. Deposits

Your Company has not accepted any deposit during the year and there was no deposit at the beginning of the year. Therefore the details relating to deposits, covered under Chapter V of the Act is not applicable.

12. Statutory Auditors

The present statutory auditor M/s. VCA & Associates, Chartered Accountants has been appointed for a period of five years pursuant to the provisions of section 139 of the Companies Act 2013 at the AGM held on 28th September, 2017 and will continue to act as statutory auditor of the Company.

13. Auditors' Report

The observations of the Auditors are explained, wherever necessary, in an appropriate note to the Audited Statement of Accounts. No qualification, reservation or adverse remark or disclaimer has been made by the auditor in their auditors' report for the year 2019-20.

14. Share Capital

During the year under review, the Company has not issued any securities nor has granted any stock option or sweat equity.

15. Annual return

As per latest amendment in section 92 of the Companies Act, 2013, a copy of annual return will be displayed on Company's web site i.e. www.axtelindia.com after filing annual return, on completion of ensuing annual general meeting, with the Registrar of Companies within the time stipulated in said section 92 of Act. However, extract of annual return in Form MGT-9 is attached. (Annexure-G)

16. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are attached herewith (Annexure-A)

17. Corporate Social Responsibility (CSR)

The Company is required to spend towards corporate social responsibility under section 135 of the Companies Act, 2013. Report on CSR activities in terms of section 135 of the Companies Act, 2013 is annexed to this report (Annexure-D).

18. Directors & Key Managerial Personnel

A) Shri Kirit Kumar Pathak (DIN 01849295), Director, retires by rotation at the ensuing annual general meeting and being eligible offered himself for re-appointment as Director.

B) Declaration by an Independent Director(s) and re- appointment, if any

A declaration, by Independent Directors that they have met the criteria provided in sub-section (6) of Section 149 of the Companies Act, 2013, have been received.

The Independent Directors of the Company have also confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014.

Shri Kirit Kumar Pathak (DIN 01849295), Director of the Company retiring by rotation and eligible for re-appointment has given his consent and declaration under Form DIR-8 pursuant to Section 164(2) read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014. Details of Shri Kirit Kumar Pathak (DIN 01849295), Director seeking re-appointment as per Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Bombay stock exchange is attached herewith (Annexure- E).

C) Formal Annual Evaluation

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and individual Directors which includes criteria for performance evaluation of executive directors and non-executive directors.

In evaluating the suitability of individual Board members, the Committee may take into account factors, such as:

i. General understanding of the Company's business;

ii. Educational back ground and experience:

iii. Personal and professional ethics, integrity and values;

iv. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

D) Opinion of the Board:

Your Board is of opinion that independent directors of the Company, appointed / reappointed at the last AGM, possess requisite qualifications, experience and expertise and they hold good standard of integrity in various fields. Though no independent directors have been appointed during the financial year 2019-20.

19. Number of meetings of the Board of Directors

During the year from 1st April, 2019 to 31st March, 2020 the Board of Directors met five times on the following dates:

Sr No.	Date	Board Strength	No. of Directors Present
1	27-05-2019	8	4
2	05-08-2019	8	5
3	11-11-2019	8	6
4	12-02-2020	8	6
5	02-03-2020	8	8

20. Audit Committee

The members of the Audit Committee of the Company as on 31st March, 2020 are as under:

No.	Name of Director	Designation
1	Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2	Shri Nimish Patel	Non-Executive Independent Director
3	Shri Ameet Nalin Parikh	Non-Executive Director
4	Mrs. Deepti Sharma	Non-Executive Independent Director

There was no occasion regarding non acceptance of any recommendation of the Audit Committee during the year.

21. Details of establishment of vigil mechanism for directors and employees

The Board has appointed the following persons as members of vigil committee:

No.	Name of Director	Designation
1	Shri Ajay Naishad Desai	Whole-time Director
2	Shri Sandeep Gul Lalwani	Non-Executive Independent Director
3	Shri Ameet Nalin Parikh	Non-Executive Director

The Company has framed a whistle blower policy in terms of listing agreement and the same may be accessed on the Company's website.

22. Nomination and Remuneration Committee

The members of Nomination and Remuneration Committee of the Company as on 31st March, 2020 are as under:

No.	Name of Director	Designation
1	Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2	Shri Nimish Patel	Non-Executive Independent Director
3	Mrs. Deepti Sharma	Non-Executive Independent Director

The policy formulated by nomination and remuneration committee:

The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual and group and also maintains a balance between both short and long term objectives of the company.

23. CSR Committee

The members of CSR Committee of the Company as on 31st March, 2020 are as under:

No.	Name of Director	Designation
1	Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2	Shri Ajay Nalin Parikh	Whole-time Director
3	Shri Ameet Nalin Parikh	Non-Executive Director

The Corporate Social Responsibility Committee Meeting was held on 12.02.2020 during the year ended 31st March, 2020.

24. Stakeholders Committee:

The members of CSR Committee of the Company as on 31st March, 2020 are as under:

No.	Name of Director	Designation
1	Shri Ajay Naishad Desai	Executive Director
2	Shri Ajay Nalin Parikh	Executive Director
3	Mrs. Deepti Sharma	Independent Director

The Stakeholders relationship Committee Meeting was held on 27.05.2019, 05.08.2019, 11.11.2019 and 12.02.2020 during the year ended 31st March, 2020.

25. Particulars of loans, guarantees or investments under section 186:

The Company has not given any loan, guarantees or made investments under section 186 to any person or body corporate except loan to employees of the Company as per Company's policy for employees and investment in mutual funds.

26. Particulars of contracts or arrangements with related parties:

The Company has entered into contract or arrangement with related party referred to in sub-section (1) of section 188 of the Companies Act, 2013 with Morphis Business Advisory LLP, Bombay with effect from 1st December, 2018, which has been approved by the Board of Directors at the meeting, held on 5th November, 2018 for a period of five years.

Form No. AOC -2 regarding transactions under section 188 of the Companies Act, 2013 is enclosed herewith (Annexure-B).

27. Managerial Remuneration

Disclosures pursuant to section 197(12) of the Companies Act,2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed herewith (Annexure-C).

28. Secretarial Audit Report

The Secretarial Audit Report pursuant to section 204(1) of the Companies Act, 2013 given by M/s. Dinesh Mehta & Co., a company secretary in practice enclosed herewith along with Annual Secretarial Compliance Report as required under Regulation 24A of LODR Regulations, 2015. (Annexure-F).

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

29. Corporate Governance Report

A detailed corporate governance report including compliance certificate received from M/s. Dinesh Mehta & Co., a company secretary in practice regarding compliance of conditions of corporate governance as stipulated in Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 is attached as Annexure I.

The management discussion and analysis report as stipulated in Regulation 34 (2) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been annexed to Directors report as Annexure H.

30. Code of Conduct

The Company has adopted a code of conduct for its directors and senior designated management personnel. All the Board members and senior management personnel have affirmed their compliance of code of conduct.

31. Risk management policy

In today's economic environment, risk management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your company has identified the following risks:

Key Risk	Impact to Axtel Industries Ltd	Mitigation Plans
Commodity Price Risk	Risk of price fluctuation on basic raw materials like steel, components, power as well as finished goods used in the process of manufacturing.	The Company commands excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also by focusing on new value added products helps in lowering the impact of price fluctuation in finished goods.
Uncertain global economic environment – slow growth in global economy	Impact on demand and realization of exports of food processing plant and machinery.	The people do not compromise on food and it will not affect much.
Interest Rate Risk	Any increase in interest rate can affect the finance cost.	Dependence on debt is very minimum and Company has enough funds to meet the need arises.

Key Risk	Impact to Axtel Industries Ltd	Mitigation Plans
Foreign Exchange Risk	Any volatility in the currency market can impact the overall profitability.	The Company has potentiality in domestic market. In case of major fluctuation either upwards or downwards, the effect will be minimal.
Human Resources Risk	Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company	By continuously benchmarking of the best HR practices and carrying out necessary improvements to attract and retain the best talent. Company does not anticipate any major issue for the coming years.
Competition Risk	Every company is always exposed to competition risk. The increase in competition can create pressure on margins, market share etc.	By continuous efforts to enhance the brand image of the Company by focusing on quality, cost, timely delivery and customer service. By introducing new product range commensurate with demands, your company plans to mitigate the risks so involved.
Compliance Risk – Increasing regulatory Requirements.	Any default can attract penal provisions.	By regularly monitoring and review of changes in regulatory framework.
Industrial Safety, Employee Health and Safety Risk.	The engineering industry is exposed to accidents and injury risk due to human negligence.	By development and implementation of critical safety standards across the various departments of the factory, establishing training need identification at each level of employee.

32. Directors' Responsibility Statement

Your Directors state that—

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

c. the directors 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;

d. the directors had prepared the annual accounts on a going concern basis;

e. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

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

33. Compliance with Secretarial Standards and SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015:

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 from time to time.

34. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has been employing about 10 women employees in various cadres within the factory premises. The Company has in place an anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the Executive Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There was no complaint during the financial year 2019-20 and hence no complaint is outstanding as on 31.03.2020 for redressal.

35. Acknowledgements

The Board of Directors gratefully acknowledge the assistance and co-operation received from the Bank of Baroda and all other statutory and non-statutory agencies for their co-operation. The Board of Directors also wish to place on record their gratitude and appreciation to the members for their trust and confidence shown in the Company. The Board of Directors would like to especially thank all the employees of the Company for their dedication and loyalty.

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway,
Baska, Panchmahal-389350, Gujarat

ANNEXURE - A

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Income and Outgo as per rule 8(3) of the Companies (Accounts) Rules,2014:

A) Conservation of energy:

No.	Particulars	Steps taken
(i)	The steps taken or impact on conservation of energy	Low power illumination is used in factory.
(ii)	The steps taken by the company for utilising alternate sources of energy	The Company has already installed solar power system in past.
(iii)	The capital investment on energy conservation equipment	N.A.

(B) Technology absorption:

No.	Particulars	Steps taken
(i)	The efforts made towards technology absorption	Technology developed by the Whole-time Directors
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	The Company developed, improved various products, and import substitution in- house.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) the details of technology imported b) the year of import c) whether the technology been fully absorbed d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	The expenditure incurred on Research and Development	N.A.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

No.	Particulars	Details
(i)	Activities relating to exports	Sales of food processing plants & machinery
[ii]	Initiatives taken to increase export	The Directors visit clients abroad several times and the Company expects to receive several export orders from time to time.
[iii]	Development of new export markets for products and services and export plans	N.A.

Details of foreign exchange used and earned: [Rupees in Lacs]

Particulars	F.Y. 2019-20	F.Y. 2018-19
Total foreign exchange used	193.35	192.17
Total foreign exchange earned	2006.51	1882.26

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway,
Baska, Panchmahal-389350, Gujarat

Annexure-B

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis: NOT APPLICABLE**
   - (a) Name(s) of the related party and nature of relationship:
   - (b) Nature of contracts/arrangements/transactions:
   - (c) Duration of the contracts / arrangements/transactions:
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
   - (e) Justification for entering into such contracts or arrangements or transactions:
   - (f) Date(s) 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:
2. **Details of contracts or arrangement or transactions at arm's length basis:**
   - (a) Name(s) of the related party and nature of relationship: Morphis Business Advisory LLP. Mr. Ameet Nalin Parikh, Non-Executive Director of the Company is partner in the said LLP.
   - (b) Nature of contracts/arrangements/transactions: Availing professional service in connection with growth, value creation and financial security.
   - (c) Duration of arrangements: From 01.12.2018 to 30.11.2023.
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Morphis Business Advisory LLP provides services for establishment of vision and a strategy for the Company, a sound strategy for each of the enablers and for growth and implementation and monitoring the said strategies to enhance company's growth.
   - (e) Date of approval by the Board: Board approved on 5th November, 2018 for a period of from 01.12.2018 to 30.11.2023.
   - (f) Amount paid as advances, if any: No advance is paid.

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway,
Baska, Panchmahal-389350, Gujarat

ANNEXURE-C

Information as per Section 134 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

(i)	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20	**Director's Name**	**Ratio to median remuneration**
		Mr. Ajay Naishad Desai, Whole Time Director	29.14
		Mr. Ajay Nalin Parikh, Whole Time Director	29.14
(ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2019-20 compared to 2018-19	**Director's/CFO/CEO/CS/name**	**% increase in remuneration**
		Mr. Ajay Naishad Desai, WTD	0%
		Mr. Ajay Nalin Parikh, WTD	0%
		Mrs. Prerna Sudeep Bokil, CS	14.29%
		Mr. R K Bhavsar, CFO	10.75%
(iii)	Percentage increase in the median remuneration of employees in the financial year 2019-20 compared to 2018-19	7.74%	
(iv)	Number of permanent employees on the rolls of the company	**As on 31.03.2020**	**As on 31.03.2019**
		178	147
(viii)	Average percentile increase in salaries of Employees other than managerial personnel	**During 2019-20**	**During 2018-19**
		8.87 %	11.06 %
	Justification for increase with reasons for any exceptional circumstances	Normal industry standards applied, based on performance of each employee	Normal industry standards applied, based on performance of each employee

Information under Rules 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company in receipt of remuneration for the year in the aggregate of Rs. One crore and two lakh and/ or Rs. eight lakh fifty thousand per month during the financial year 2019-20

Name	Age - Years	Designation	Nature of employment	Qualification & Experience (Yrs)	Remuneration received (Rs.)	Date of Commencement of employment	Last employment/ Designation
A. Employed throughout the financial year							
Mr. Ajay Naishad Desai	62	Whole time Director	Contractual	B.E.(Elec.) 39 years	1,50,00,000	01.03.1992	Age Techonologies Pvt. Ltd./ Director
Mr. Ajay Nalin Parikh	63	Whole time Director	Contractual	B.E.(Mech.) 38 years	1,50,00,000	01.03.1992	Age Techonologies Pvt. Ltd./ Director

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway,
Baska, Panchmahal-389350, Gujarat

ANNEXURE - D

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1	Brief outline of the Company's CSR policy, projects and programme proposed to be undertaken under CSR policy and projects or programme.	For us in the AXTEL INDUSTRIES LIMITED, reaching out to underserved communities is part of our vision. We believe in the trusteeship concept. This entailstranscending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making ameaningful difference to them. **Our vision** is - "to effectively contribute to the social and economic development of the communities in which we operate. In doing so we intend tobuild a better, sustainable way of life for the weaker sections of society and raise the country's human development index". **Our CSR policy include:** 1. To pursue a corporate strategy that enables realization of the twin goals of shareholder value enhancement and societal value creation in amutually reinforcing and synergistic manner. 2. To implement Social Investments / CSR programmes primarily in the economic vicinity of your Company's operations with a view to ensuringthe long term sustainability of such interventions. 3. To contribute to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challengesfaced by the Indian society especially in rural India. 4. To collaborate with communities and groups to contribute to the national mission of eradicating poverty and hunger, especially in rural areas,through superior farm and agri-extension practices, soil and moisture conservation and watershed management, conservation anddevelopment of forest resources, empowering women economically, supplementing primary education and participating in rural capacity building programs and such other initiatives. 5. To sustain and continuously improve standards of environment, health and safety through the collective endeavor of your Company and itsemployees at all levels towards attaining world class standards and support other programmes and initiatives, internal or external, for theprevention of illness and combating of diseases as may be considered appropriate from time to time. 6. To encourage the development of human capital by expanding human capabilities through skills development, vocational training etc. and bypromoting excellence in identified cultural fields.
2	Composition of the CSRCommittee.	The following Directors are appointed as members of Corporate Social Responsibility Committee of the Company: (1) Shri Ajay Parikh, Whole time Director (2) Shri Ameet Parikh, Non-Executive Director (3) Shri Sandeep Lalwani, Non-Executive Independent Director
3	Average Net profits of the company for the last three financial year	FINANCIAL YEAR — PROFIT BEFORE TAX (Amount in Rupees) 2016-17 + 8,31,72,360 2017-18 + 7,88,67,906 2018-19 + 18,19,52,330 TOTAL + 34,39,92,596 AVERAGE OF THREE YEARS 11,46,64,199
4	Prescribed CSR expenditure (Twopercent of the amount in item no.3 above)	2% of Rs. 11,46,64,199 = Rs. 22,93,284 I.E. Rs. 22,93,300
5	Details of CSR Spent during thefinancial year:	Amount budgeted for the year 2019-20 : Indian Rupees 22,93,300 Amount spent up to 31.03.2020: Indian Rupees 15,00,000 Amount Unspent, if any :7,93,300 The Company had spent Rs. 7,93,300/- after 31/03/2020, but before approval of Directors' report for the financial year 2019-20.
6	Manner in which the amount was spent during the financial year ended 31.03.2020	As mentioned below in Annexure below

We hereby declare CSR policy is in compliance with CSR objectives as per Section 135 of the Companies Act, 2013 read with Schedule VII of the Act.

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway, Baska, Panchmahal-389350, Gujarat

ANNEXURE

Sr. No.	CSR Project / Activities	Sector in which the project is covered	Location (Local Area / District / State)	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1	Donation to Salam Bombay Foundation, Bombay dated 11-10-2019	Objective is to increase awareness of the health hazards of tobacco use and reduce consumption rates across the state of Maharashtra	Bombay-Maharashtra – State	5.00 lacs	5.00 lacs	5.00 lacs	Through implementing agency
2	Donation to Akshar Trust, Vadodara dated 15-10-2019	Provide education and care to hearing impaired children and guidance to their families.	Vadodara – District-Gujarat	5.00 lacs	5.00 lacs	5.00 lacs	Through implementing agency
3	Donaton to Bhasha Research and Publication Centre, Vadodara to 11-10-2019	Cultural activities to cover other ethnic communities through initiatives such as the People's Linguistic Survey of India and Community Ethnography.	Vadodara – District-Gujarat	5.00 lacs	5.00 lacs	5.00 lacs	Through implementing agency
4	The Akshaya Patra Foundation	Akshaya Patra is focused on eliminating classroom hunger and attracting more children (enrolment) to schools and ensure to keep them in school (reduce dropout rate) by feeding a filling, nutritious mid-day meal, every school day.	Various States and Union Territories in India	7.93 lacs	7.93 lacs	7.93 lacs	Through implementing agency

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway,
Baska, Panchmahal-389350, Gujarat

ANNEXURE- E

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS PER REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Shri Kirit Kumar Pathak
DIN No.	01849295
Date of Birth	10/09/1952
Type of appointment	Director retiring by rotation
Date of Appointment	13/11/1991
Areas of Specialization	Business management
Qualifications	Ph.D.
No.of Shares Held in the Company	7,65,144
List of Directorship held in other Companies	1. Mannk Foods (India) Private Limited 2. Nilons Enterprises Private Limited
Chairman/member of the Committee of the Board of Directors of this Company	NIL
Chairman/member of the Committee of the Board of Directors of other Companies	NIL
Relation with Key Managerial Personnel and Directors	Brother in law of Mr. Ajay Naishad Desai, Executive Director.
Justification for appointment	Excellent knowledge in business

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway,
Baska, Panchmahal-389350, Gujarat

ANNEXURE - F

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

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

To,
The Members,
Axtel Industries Limited,
Plot No.43, Village: Nurpura,
Ta. Halol, Dist. Panchmahal.

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

Based on our verification of the 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, 2020 (audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2020 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 there under;

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

(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; (Not applicable to the company during the audit period)

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the company during the audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 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) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the audit period)
- (i) The Securities and Exchange Board of India (Listing and Obligations Disclosure Requirements) 2015.

(vi) As informed to us other laws specifically applicable to the company are as under:

1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
2. The Factories Act, 1948
3. The Industrial Employment (Standing Orders) Act, 1946
4. The Maternity Benefit Act, 1961
5. The Minimum Wages Act, 1948
6. The Payment of Wages Act, 1936
7. The Negotiable Instruments Act, 1881
9. The Payment of Gratuity act, 1972
10. The Workmen's Compensation Act, 1922
11. The Contract Labour (Regulation & Abolition) Act, 1970
12. The Industrial Dispute Act, 1947
13. The Payment of Bonus Act, 1965
14. The Employment Exchange Act, 1959
15. The Apprentice Act, 1961
16. The Equal Remuneration Act, 1976
17. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In respect of above laws specifically applicable to the Company, we have relied on information /records produced by the company during the course of our audit on test check basis and limited to that extent, the company has complied with the above laws applicable to the company.

We 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 Bombay Stock Exchange. Now Disclosure under SEBI (Listing Obligation and Disclosure Requirement) 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. There was no change in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and committees, as the case may be.

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.

For Dinesh Mehta & CO.
Company Secretaries

Dinesh Mehta
Proprietor
C.P.No.2127
UDIN: F008419B000370431

Place: VADODARA
Date: 23/06/2020

Secretarial compliance report of Axtel Industries Limited for the year ended 31st March, 2020 under regulation 24A of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

I, Dinesh Mehta, Proprietor of M/s. Dinesh Mehta & Co, Company Secretaries have examined:

(a) all the documents and records made available to us and explanation provided by Axtel Industries Limited,

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 (“Review Period”) in respect of compliance with the provisions of :

  (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and

  (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not applicable as there was no issue of capital during the review period.

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not applicable as there was no buyback of securities during the review period.

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable as there was no Share Based Employee Benefits during the review period.

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable as there was no issue and listing of debt securities during the review period.

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not applicable as there was no issue and listing of non-convertible and redeemable preference shares during the review period.

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) ……(other regulations as applicable)

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NA	NA	NA	NA

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.

(C) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

S. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
NA	NA	NA	NA	NA

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… *(The years are to be mentioned)*	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NA	NA	NA	NA	NA

For Dinesh Mehta & CO.
Company Secretaries

Dinesh Mehta
Proprietor
C.P.No.2127
UDIN: F008419B000328893

Place: VADODARA
Date: 23/06/2020

ANNEXURE - G

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2020

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

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L91110GJ1991PLC016185
ii)	Registration Date	28/08/1991
iii)	Name of the Company	AXTEL INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	Public Company Limited by shares Company having share capital
v)	Address of the Registered office and contact details	Vadodara-Halol Highway,Baska, Panchmahal-389350, Gujarat Telephone : 02676-247900 Email : info@axtelindia.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	
	Name of Registrar & Transfer Agents	Link Intime India Private Limited
	Address	B-102-103, Shangrila Complex, Near Radhakrishna Char Rasta, Akota
	Town / City	VADODARA
	State	GUJARAT
	Pin Code	390020
	Telephone	0265-2356573
	Fax Number	0265-2356791
	Email Address	vadodara@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of food processing plant & machinery	28259	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NA	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1914307	0	1914307	11.85	1914307	0	1914307	11.85	0.00
b) Central Govt	0	0	0		0	0	0		
c) State Govt (s)	0	0	0		0	0	0		
d) Bodies Corp.	0	0	0		0	0	0		
e) Banks / FI	0	0	0		0	0	0		
f) Any Other….	0	6155000	6155000	38.10	6155000	0	6155000	38.10	0.00
Sub-total (A) (1):-	1914307	6155000	8069307	49.95	8069307	0	8069307	49.95	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0						
b) Other – Individuals	0	0	0	0					
c) Bodies Corp.	0	0	0						
d) Banks / FI	0	0	0						
e) Any Other….	0	0	0						
Sub-total (A) (2):-	0	0	0						
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1914307	6155000	8069307	49.95	8069307	0	8069307	49.95	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0		0	0	0		
b) Banks / FI	0	0	0		0	0	0		
c) Central Govt	0	0	0		0	0	0		
d) State Govt(s)	0	0	0		0	0	0		
e) Venture Capital Funds	0	0	0		0	0	0		
f) Insurance Companies	0	0	0		0	0	0		
g) FIIs	0	0	0		0	0	0		
h) Foreign Venture Capital Funds	0	0	0		0	0	0		
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	118731	214000	332731	2.06	156771	189600	346371	2.14	+0.08
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	1251724	1787505	3039229	18.81	1338470	1645505	2983975	18.47	-0.34
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2782749	0	2782749	17.23	2829926	24400	2854326	17.67	+0.44
c) Others (specify)									
NRI including non-repatriation basis	1486809	329500	1816309	11.24	1481729	323200	1804929	11.17	- 0.07
Clearing Member	10353	0	10353	0.06	4385	0	4385	0.03	-0.03
NBFC	2624	0	2624	0.02	0	0	0	0	-0.02
HUF	101498	0	101498	0.63	91507	0	91507	0.57	-0.06
Sub-total (B)(2):-	5754488	2331005	8085493	50.05	5902788	2182705	8085493	50.05	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	5754488	2331005	8085493	50.05	5902788	2182705	8085493	50.05	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	13823795	2331005	16154800	100.00	13972095	2182705	16154800	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Ajay N Desai	921935	5.71	0	921935	5.71	0	0.00
2	Rati Sheopuri	12800	0.08	0	12800	0.08	0	0.00
3	Ajay Parikh	466044	2.88	0	466044	2.88	0	0.00
4	Chhaya Parikh	143298	0.89	0	143298	0.89	0	0.00
5	Karan Parikh	370230	2.29	0	370230	2.29	0	0.00
6	Shivash Business Advisory LLP	3100000	19.19	0	3100000	19.19	0	0.00
7	Chaykar Business Advisory LLP	3055000	18.91	0	3055000	18.91	0	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change) - NO CHANGE

Sl. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
NA	NA	NA	NA	NA	NA	NA

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

Sl. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Meena Pathak	Individual	359462	2.23	359462	2.23
2	Nayan Pathak	Individual	335399	2.08	335399	2.08
3	Anjali Pathak	Individual	335341	2.08	335341	2.08
4	Rani H Bubber	Individual	294650	1.82	255969	1.58
5	Hardipsingh J. Bubber	Individual	212002	1.31	212002	1.31
6	Anita A Bubber	Individual	208225	1.29	208225	1.29
7	Anuradha Hardipsingh Bubber	Individual	227591	1.41	227591	1.41
8	Navroze Shiamak Marshall	Individual	196956	1.22	187535	1.16
9	Rajivsingh H Bubber	Individual	171800	1.06	137175	0.85
10	S M Finance Ltd.	Body Corporate	124400	0.77	124400	0.77

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Ajay N Desai	Whole time Director	921935	5.71	921935	5.71
2	Ajay Parikh	Whole time Director	466044	2.88	466044	2.88
3	Kiritkumar Pathak	Non-Executive Director	765144	4.74	765144	4.74
4	Rajendra K. Bhavsar	Chief Financial Officer	2550	0.02	2550	0.02
5	Prerna Bokil	Company Secretary	0	0	0	0

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11586464	0	0	11586464
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	11586464	0	0	11586464
Change in Indebtedness during the financial year				
Addition	65872272	0	0	65872272
Reduction		0	0	
Net Change	65872272	0	0	65872272
Indebtedness at the end of the financial year				
i) Principal Amount	77458736	0	0	77458736
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	77458736	0	0	77458736

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

Sl. No.	Name of MD / WTD / Manager	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total	Ceiling as per the Act
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			as % of profit	others			
1	Mr. Ajay Naishad Desai	15000000	0	0	0	0	0	0	0	15000000	16800000
2	Mr. Ajay Nalin Parikh	15000000	0	0	0	0	0	0	0	15000000	16800000

B. Remuneration to other directors (Amount in Rupees)

Sl. No.	Name of Directors	Independent Directors			Total (1)	Other Non-Executive Directors			Total (2)	Total (1+2)	Total Managerial Remune-ration	Overall Ceiling as per the Act
		Fee for attending board / committee meetings	Commission	Others		Fee for attending board / committee meetings	Commission	Others				
1	Mr. Kirit Kumar Pathak	NIL	NIL	NIL	NIL	20000	NIL	NIL	20000	20000	NIL	1,00,000 per meeting
2	Mr. Ameet Nalin Parikh	NIL	NIL	NIL	NIL	150000	NIL	NIL	150000	150000	NIL	1,00,000 per meeting
3	Mr.Ajit Singh Bubber	NIL	NIL	NIL	NIL	20000	NIL	NIL	20000	20000	NIL	1,00,000 per meeting
4	Mr. Sandeep Lalwani	90000.	NIL	NIL	90000	0	N.A.	N.A.	0	90000.	NIL	1,00,000 per meeting
5.	Mr.Nimish Patel	150000	NIL	NIL	150000	0	N.A.	N.A.	NIL	150000	NIL	1,00,000 per meeting
6.	Mrs. Deepti Sharma	150000	NIL	NIL	150000	0	NIL	NIL	NIL	150000	NIL	1,00,000 per meeting

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD **(Amount in Rupees)**

Sl. No.	Name of Key Managerial Personnel	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total
		(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			as % of profit	others		
1	Mr. Rajendra K. Bhavsar	4981448	0	0	0	0	0	0	0	4981448
2	Mrs. Prerna Sudeep Bokil	288000	0	0	0	0	0	0	0	288000

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway,
Baska, Panchmahal-389350, Gujarat

ANNEXURE - H
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:

a) Industry Structure and Developments:

Axtel industries Ltd. is engaged in the manufacture of custom designed food processing plants and machineries as per the requirement/specifications of its various clients. It is a leading supplier of process engineering equipment and turnkey systems to the food and pharmaceutical industries meeting the standards of quality, design and specifications of its clients.

The company has been manufacturing the various categories of Process Plants/ Equipments.

The growth of the company is mainly linked to the growth of the food processing industry. Given below is the profile and outlook of the same.

- Indian Food and Food Processing Industry

The Indian food and drinks market has observed strong growth over the past few years. Economic liberalization and rising income of middle class population have had a positive impact on consumer spending and consumption in both rural and urban areas. Indian consumer now spends a significant proportion of disposable income on food and other essential commodities. Several other factors like demographic and macro economic conditions have also given fillip to expenditure on food in the country.

Packaged food and ready-to-eat food have also seen strong demand as life in metros becomes more hectic and busy. People look for healthy and ready to eat food to avoid time wastage on preparation.

- World Food and Food Processing Industry

Key factors driving market growth include development of food products, new processes, increased consumer awareness, and government regulations regarding health and hygiene. In addition, economic growth in developing nations is expected to propel the market demand for food processing machinery & equipment.

The market for food processing machinery is linked to the structure, behaviour and trends in the food processing industry. The food processing market is undergoing major changes due to the rapid technological advancements and tightening of environmental and hygienic regulations. Manufacturers of food and beverage processing, sterilization, conservation and packaging machineries, especially those dealing with meat and dairy products, are focusing on addressing these changes in order to exploit new opportunities. Reliability and efficiency of the equipment, extensive distribution facilities, and effective service are key factors for success in this highly competitive industry.

- Developments:
  - Create new markets quickly through products based on technology
  - Enhance growth by reaching new customers, deepening the customer experience and allowing them to dynamically mange pricing
  - Increase profitability by altering operating cost structures through greater process automation
  - Adopt business models that increase asset efficiency and long-term competitiveness

b) Opportunities and Threats:

- **Opportunities:** New elements involving new ways with understanding clients and exploring new markets and business models shall open new opportunities for us to build strategic relationship with clients. Our reliability and efficiency of the equipment and effective service are key factors for success in this highly competitive industry.
- **Threats:** The Company has developed and implemented a risk management framework that includes identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company and by adopting various factors such as risk identification, impact assessment, risk evaluation, risk reporting, risk disclosures, risk mitigation and reporting.

c) Segment-wise or product-wise performance:

The Company has only one segment of manufacturing food processing instruments / equipments.

d) Outlook:

- The outlook for business is positive as the company continue to remain focused on risk management and mitigation.
- Total turnover during the year 2019-20 decreased by Rs. 1109.79 lac (decreased by 10.02%) compare to previous year 2018-19 and there is profit of Rs. 1089.06 lac (after tax) during the year 2019-20 against profit of Rs. 1295.92 lac (after tax) during the year 2018-19.

e) Risks and concerns:

- Commodity Price Risk: Risk of price fluctuation on basic raw materials like steel, components, power as well as finished goods used in the process of manufacturing.
  - Uncertain global economic environment – slow growth in global economy: Impact on demand and realization of exports of food processing plant and machinery.

- Interest Rate Risk: Any increase in interest rate can affect the finance cost
- Foreign Exchange Risk: Any volatility in the currency market can impact the overall profitability
- Human Resources Risk: Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company
- Competition Risk: Every company is always exposed to competition risk from European Countries. The increase in competition can create pressure on margins, market share etc
- Compliance Risk: Increasing regulatory Requirements: Any default can attract penal provisions
- Industrial Safety, Employee Health and Safety Risk: The engineering industry is exposed to accidents and injury risk due to human negligence.

f) Internal Control Systems and their adequacy:

The Company has strengthened its internal control and audit aspects by appointing outside agency for internal audit of certain important aspects of operations, apart from usual transactional verifications. There are adequate checks and controls to ensure compliance of various statutes.

g) Discussion on Financial performance with respect to operational performance:

Total turnover during the year 2019-20 decreased by Rs. 1109.79 lac (decreased by 10.02%) compare to previous year 2018-19 and there is profit of Rs. 1089.06 lac (after tax) during the year 2019-20 against profit of Rs. 1295.92 lac (after tax) during the year 2018-19.

h) Material developments in Human Resources / Industrial Relations front, including number of people employed:

The Company considers its employees as its valuable assets. The Company focuses on building an organization through induction and development of talent to meet current and future needs. Various HR initiatives have been taken to align HR policies of the Company with the growth projections of the company.

During the year under review, the Company continued to have cordial and harmonious relations with its employees and total numbers of employees on payroll are 178.

i) Details of significant changes in financial ratio:

Details of significant changes as compared to the immediately previous financial year in key financial ratios, along with detailed explanations therefor, including:

Particulars	F.Y. 2019-20	F.Y. 2018-19
(i) Debtors Turnover	8.39	5.38
(ii) Inventory Turnover	3.24	5.10
(iii) Interest Coverage Ratio	41.53	105.79
(iv) Current Ratio	1.83	1.73
(v) Debt Equity Ratio	0.01	0.02
(vi) Operating Profit Margin (%)	14.92%	16.42%
(vii) Net Profit Margin (%)	10.93%	11.70%

j) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Particulars	F.Y. 2019-20	F.Y. 2018-19
Return on Net Worth	19.80	24.89

Explanation: Due to COVID-19 there was complete lockdown from the 22nd March, 2020, the Company could not dispatch finished goods to the clients and therefore there was fall of sales during the financial year 2019-20. Due to drop of sales, profit was also dropped compare to the previous year and accordingly return on net worth was dropped during the financial year.

Disclosure of Accounting Treatment:

The financial statements for the year ended 31st March, 2020 have been prepared as prescribed in accounting standards and there is no change in treatment of the said accounting standards. Therefore, no explanation by the management is required for the same.

By Order of the Board of Directors

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

Date: 26/06/2020
Registered Office:
Vadodara-Halol Highway, Baska, Panchmahal-389350, Gujarat

ANNEXURE – I
REPORT ON CORPORATE GOVERNANCE

The Company has taken necessary steps to comply with all the requirement of the guidelines on Corporate Governance as would be applicable to it.

1. Company's Philosophy On Corporate Governance

Axtel Industries Limited ('the Company' / Axtel) recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. Transparency in the decision making process has been providing comfort to all stakeholders.

2. Board of Directors as on 31st March, 2020.

The Board comprised of eight Directors comprising two Executive Directors, three Non-Executive Directors and three Non-Executive Independent Directors. The Chairman of the Board was a Non-Executive Independent Director.

a) Composition of the Board for the period from 01st April, 2019 to 31st March, 2020:

Name of the Director	Designation	Number of shares held
Shri Kirit Kumar Pathak	Non-Executive Director	7,65,144
Shri Ajay Naishad Desai	Executive Director	9,21,935
Shri Ajay Nalin Parikh	Executive Director	4,66,044
Shri Ameet Nalin Parikh	Non-Executive Director	NIL
Shri Ajit Singh Bubber	Non-Executive Director	NIL
Shri Sandeep Gul Lalwani	Chairman & Non-Executive Independent Director	NIL
Shri Nimish Patel	Non-Executive Independent Director	NIL
Mrs. Deepti Sharma	Non-Executive Independent Director	NIL

b) Attendance of Directors:

c) Details of names of listed entities where person is a director

Name of the Director	No. of Board Meetings held	No of Board Meetings Attended	Attendance at the last Annual General Meeting	No. of Directorship in the other Boards as on 31st March, 2020 (excluding AXTEL) and names of the listed entities where the person is a director and the category of directorship	No. of Memberships in other Board Committees as on 31th March, 2020 (i.e. committee of AXTEL)
Shri Kirit Kumar Pathak	5	1	Absent	2	0
Shri Ajay Naishad Desai	5	4	Present	2	1
Shri Ajay Nalin Parikh	5	4	Absent	0	2
Shri Ameet Nalin Parikh	5	5	Present	7	2
Shri Ajit Singh Mohansingh Bubber	5	2	Absent	2	0
Shri Sandeep Gul Lalwani	5	3	Absent	4	3
Shri Nimish Patel	5	5	Absent	3	2
Mrs. Deepti Sharma	5	4	Absent	4 Director in listed company Conart Engineers Ltd.	3

d) Board Meeting:

The meetings of the Board of Directors are scheduled well in advance. The notice convening the meeting and the detailed agenda is sent at least seven days in advance to all the Directors. The Board meets at least once a quarter to review the quarterly performance and financial results.

Number of Board Meeting :

During the year from 1st April, 2019 to 31st March, 2020 the Board of Directors met five times on the following dates:

Sr	Date	Board Strength	No. of Directors Present
1	27-05-2019	8	4
2	05-08-2019	8	5
3	11-11-2019	8	6
4	12-02-2020	8	6
5	02-03-2020	8	8

e) Disclosure of relationships between directors inter-se:

1. Shri Kirit Kumar Pathak is brother-in-law of Shri Ajay Naishad Desai.
2. Shri Ajay Nalin Parikh and Shri Ameet Nalin Parikh are brothers.
3. None of the other directors are related to any other Director on the Board.

f) Number of shares and convertible instruments held by non-executive directors:

Name of the Director	Designation	Number of shares held
Shri Kirit Kumar Pathak	Non-Executive Director	7,65,144
Shri Ameet Nalin Parikh	Non-Executive Director	NIL
Shri Ajit Singh Bubber	Non-Executive Director	NIL
Shri Sandeep Gul Lalwani	Chairman & Non-Executive Independent Director	NIL
Shri Nimish Patel	Non-Executive Independent Director	NIL
Mrs. Deepti Sharma	Non-Executive Independent Director	NIL

g) The details of familiarization programmes imparted to independent directors is disclosed on the company's website i.e. www.axtelindia.com.

h) Chart or matrix setting out skills / expertise / competence of board of directors:

i. List of core skills/expertise/competencies identified by the Board of Directors:

Skill Area	Description
Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities.
Policy Development	Ability to identify key issues and opportunities for the Company and develop appropriate policies to define the parameters within which the organisation should operate.
Governance, Risk and Compliance	Experience in the application of corporate governance principles as per law. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance. Experience in the appointment and evaluation of a CEO and senior executive managers
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to: • Analyze key financial statements; • Critically assess financial viability and performance; • Contribute to strategic financial planning; • Oversee budgets and the efficient use of resources; • Oversee funding arrangements and accountability
Government Relations (policy & process)	Experience in managing government relations and industry advocacy strategies.
Marketing & Communications	Knowledge of and experience in marketing the product of the Company. Experience in, or a thorough understanding of, communication with industry groups and/or end users through a range of relevant communication channels.

Skill Area	Description
Member and stakeholder engagement	High level reputation and established networks and the ability to effectively engage and communicate with key stakeholders.
Commercial Experience	A broad range of commercial/business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement.
Legal	Qualification and experience in legal practice with emphasis on: • Commercial laws • Employment laws • Health & Safety legislations
Human Resource Management	Qualification and experience in human resource management with an understanding of: • Engineering Industry • Employment laws
Information Technology / Digital Skills	Qualification and experience in Information Technology and/or Digital industries with an ability to apply new technology to the Company

ii. List of names of directors possessing core skills/expertise/competencies:

Name of Director	Category of Director	Particulars of skills / expertise / competency
Shri Kirit Kumar Pathak	Non-Executive Director	Business management
Shri Ajay Naishad Desai	Executive Director	Engineering, marketing and administration
Shri Ajay Nalin Parikh	Executive Director	Engineering, manufacturing and administration
Shri Ameet Nalin Parikh	Non-Executive Director	Risk management & finance
Shri Ajit Singh Bubber	Non-Executive Director	Business management
Shri Sandeep Gul Lalwani	Chairman & Non-Executive Independent Director	Accounting, finance, audit and information technology.
Shri Nimish Patel	Non-Executive Independent Director	Finance, business and administration
Mrs. Deepti Sharma	Non-Executive Independent Director	Project management, financial management, risk management

i) Confirmation of the Board: The Board of Directors confirm that the independent directors fulfill the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013 and are independent of the management of the Company. Further, the Board has obtained a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of company by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

j) Detailed reasons for the resignation of Independent Directors: Not applicable as no Independent Director has tendered resignation during the year 2019-20.

3. Audit Committee:

a) Broad Terms of reference of the Audit Committee:

i. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;

ii. Review and monitor the auditor's independence and performance and effectiveness of audit process;

iii. Examination of the financial statement and the auditors' report thereon;

iv. Approval or any subsequent modification of transactions of the company with related parties;

v. Scrutiny of inter-corporate loans and investments;

vi. Valuation of undertakings or assets of the company, wherever it is necessary

vii. Evaluation of internal financial controls and risk management systems;

viii. Monitoring the end use of funds raised through public offers and related matters, if any.

b) Audit Committee comprising of the following Directors of the Board as on 31st March,2020:

No.	Name of Director	Designation
1	Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2	Shri Nimish Patel	Non-Executive Independent Director
3	Shri Ameet Nalin Parikh	Non-Executive Director
4	Mrs. Deepti sharma	Non-Executive Independent Director

c) Meetings and attendance:

- Audit committee meetings were held four times during the year ended 31st March, 2020:

  27-05-2019, 05-08-2019, 11-11-2019 and 12-02-2020.
- Attendance during the year 2019-20 in Audit Committee:

No.	Name of Director	Number of meetings held	Number of meetings entitled to attend	Number of meetings attended	% of Attendance
1	Shri Sandeep Gul Lalwani	4	4	2	50%
2	Shri Nimish Patel	4	4	4	100%
3	Shri Ameet Nalin Parikh	4	4	4	100%
4	Mrs. Deepti Sharma	4	4	3	75%

4. Nomination and Remuneration Committee:

a) Broad Terms of reference of the Nomination and Remuneration Committee:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- To recommend and review remuneration package of Executive Directors, Chief Financial Officer and Company Secretary of the Company.
- To formulate criteria for evaluation of performance of independent directors and the board of directors.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Remuneration Policy:

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. The Company does not have an Employee Stock Option Policy.

b) Composition of Committee:

Nomination and Remuneration Committee comprising of the following Directors of the Board as on 31st March, 2020:

No.	Name of Director	Designation
1	Shri Sandeep Gul Lalwani	Non-Executive Independent Director
2	Shri Nimish Patel	Non-Executive Independent Director
3	Mrs. Deepti sharma	Non-Executive Independent Director

c) Meeting and attendance:

Attendance during the year 2019-20 in Nomination and Remuneration Committee:

No.	Name of Director	Number of meetings held	Number of meetings entitled to attend	Number of meetings attended	% of Attendance
1	Shri Sandeep Gul Lalwani	1	1	0	0 %
2	Shri Nimish Patel	1	1	1	100 %
3	Mrs. Deepti sharma	1	1	1	100 %

- Meetings of Nomination and Remuneration Committee were held on 27-05-2019 during the year 2019-20.

d) Performance evaluation criteria for independent directors:

i. General understanding of the Company's business;
ii. Educational back ground and experience:
iii. Personal and professional ethics, integrity and values;
iv. Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

5. Remuneration of directors:

a) Pecuniary relationship or transactions of non-executive directors:

The Company did not have any pecuniary relationship with any non-executive directors except sitting fees paid for attending board and committee meetings during the year 2019-20.

b) Criteria of making payments to non-executive directors:

The company did not make any payments to non-executive directors except sitting fees paid for attending board and committee meetings during the year 2019-20.

c) Disclosures of remuneration:

- **Executive Directors :**

Name of the director	Salary	Perquisites	Total
Shri Ajay Naishad Desai	1,50,00,000	NIL	1,50,00,000
Shri Ajay Nalin Parikh	1,50,00,000	NIL	1,50,00,000

- **Terms of Contract:**

Name of the director	Date of appointment	Expiry of the contract
Shri Ajay Naishad Desai	1st March, 2017	28th February, 2022
Shri Ajay Nalin Parikh	1st August, 2018	31st July, 2023

The above Executive Directors are required to give 3 months notice period for resignation as Executive Director. If before expiry of service contract, their tenure of office of the Executive Directors is determined, they will be entitled compensation as per section 202 of the Companies Act, 2013.

- **Non-Executive Directors :**

Sitting fee paid to Non-Executive Directors during the year 2019-20 as under:

Name of the director	Sitting fee to attend Board meetings(Rupees)	Sitting fee to attend committee(Rupees)	Total (Rupees)
Shri Sandeep Gul Lalwani	60,000	30,000	90,000
Shri Nimish Patel	1,00,000	50,000	1,50,000
Mrs. Deepti sharma	80,000	70,000	1,50,000
Shri Ameet Nalin Parikh	1,00,000	50,000	1,50,000
Shri Kirit Kumar Pathak	20,000	NIL	20,000
Shri Ajitsing Bubber	20,000	NIL	20,000

- **Key Managerial Personnel:**

Name	Designation	Salary	Remarks
Mrs. Prerna Bokil	Company Secretary	Rs. 2,88,000	-
Mr. Rajendra K. Bhavsar	Chief Financial Officer	Rs. 49,81,448	-

No stock options has been issued by the Company to directors till date.

6. Stakeholders relationship Committee:

Name of non-executive director heading the committee	Mrs. Deepti Sharma, Independent Director is Chairperson of the Stakeholders Relationship Committee.
Name and designation of compliance officer	Mrs. Prerna Bokil, Company Secretary
Number of shareholders' complaints received so far during the year 2019-20	21
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints as on 31/03/2020	0
Other details	Mentioned below

- **Committee members.**

No.	Name of Director	Designation
1	Shri Ajay Naishad Desai	Executive Director
2	Shri Ajay Nalin Parikh	Executive Director
3	Mrs. Deepti Sharma	Independent Director

- Stakeholders relationship Committee Meeting was held on 27.05.2019, 05.08.2019, 11.11.2019 and on 12.02.2020 during the year ended 31st March, 2020.
- Attendance during the year in Stakeholders Committee meetings during the year 2019-20:

No.	Name of Director	Number of meetings held	Number of meetings entitled to attend	Number of meetings attended	% of Attendance
1	Shri Ajay Nalin Parikh	4	4	3	75%
2	Shri Ajay Naishad Desai	4	4	4	100%
3	Mrs. Deepti Sharma	4	4	3	75%

Corporate Social Responsibility Committee:

- This committee, comprises of the following Executive Director and Non-Executive Independent Directors as on 31st March, 2020. This committee reviews shareholders' complaints and resolution thereof.

No.	Name of Director	Designation
1	Shri Ajay Nalin Parikh	Executive Director
2	Shri Ameet Nalin Parikh	Non-executive Director
3	Shri Sandeep Gul Lalwani	Independent Director

- Corporate Social Responsibility Committee Meeting was held on 12.02.2020 during the year ended 31st March, 2020.
- Attendance during the year in Corporate Social Responsibility Committee meetings during the year 2019-20:

No.	Name of Director	Number of meetings held	Number of meetings entitled to attend	Number of meetings attended	% of Attendance
1	Shri Ajay Nalin Parikh	1	1	1	100 %
2	Shri Ameet Nalin Parikh	1	1	1	100 %
3	Shri Sandeep Gul Lalwani	1	1	1	100 %

7. General Body Meetings:

The last three Annual General Meetings [AGMs] of the Company were held on the following dates and time at the registered office of the company situated at Vadodara-Halol Highway, Baska, Panchmahal-389350, Gujarat:-

[A] Details of last three AGMs held:

AGM	DAY AND DATE	TIME
25th AGM	Thursday, 28th September, 2017	11.00 a.m
26th AGM	Wednesday, 26th September, 2018	11.00 a.m
27th AGM	Wednesday, 25th September, 2019	11.00 a.m

[B] Whether special resolutions passed in the previous three general meetings?

YES

[C] Whether special resolutions were put through postal ballot last year?

NO

Generally, all the resolutions in the General Body Meetings are passed through e-voting/poll.

[D] Details of resolutions passed through Postal Ballot: NIL

[E-F] Area proposed to be conducted through postal ballot and procedure?

The Company proposes to pass resolution of General Body Meetings through postal ballot paper as required under the Companies Act, 2013 and follow the procedure given under the said Act.

8. Means of Communication:

a) Quarterly / Half Yearly Financial Results of the Company are forwarded to the Stock Exchange, Mumbai, where the shares of the Company are listed.

b) Further, the same are published in English and Gujarati Newspapers. Half yearly reports are not sent to each household of shareholders as the results of the Company are published in the Newspapers and kept on Company's website.

c) Company has its own website and all the vital information relating to the company and its products is displayed on website – www.axtelindia.com.

d) The official and required news releases are displayed on website – www.axtelindia.com.

e) The company has not made any presentations to any institutional investors / analysts during the period.

9. General Shareholder Information:

[A]	**Annual General Meeting**	28th Annual General Meeting
	Day and Date	Friday, 25th September, 2020
	Time	11.00 a.m.
	Venue	Through video-conferencing
[B]	**Financial Calender**	
	[01st April, 2019 to 31st March, 2020]	28th Annual General Meeting Friday, 25th September, 2020 1st Quarterly Result – by 14/08/2020 2nd Quarterly Result – by 14/11/2020 3rd Quarterly Result – by 14/02/2021 Audited result for the year ending on 31/03/2021 by 30/05/2021
[C]	Dividend payment date which was declared at previous AGM	27/09/2019
[D]	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	The Stock Exchange, Mumbai Phiroze Jee Jeebhoy Towers, Dalal Street, Mumbai – 400 023 Tel: [022] 22721234, 22721233 Fax: [022] 22723719 The payment of annual listing fees for FY 2019-20 is paid to BSE where shares are listed.
[E]	Stock Code:	
	The Stock Exchange, Mumbai	523850
	ISIN for equity shares of the Company	INE 767C01012
[F]	Market price data:	The equity shares of the Company were traded at the Stock Exchange, Mumbai. The high and low price, number of shares traded during the year 2019-20 are as under:

Month	High Price	Low Price	No. of Shares	No. of Trades	BSE Sensex
Apr-19	148.70	121.05	1,23,022.00	1,253.00	39,032
May-19	133.85	114.55	73,534.00	787.00	39,714
Jun-19	128.40	111.15	47,281.00	527.00	39,395
Jul-19	134.85	109.00	82,909.00	798.00	37,481
Aug-19	117.05	80.15	1,05,450.00	910.00	37,333
Sep-19	135.50	80.00	84,258.00	848.00	38,667
Oct-19	118.50	91.25	86,787.00	1,012.00	40,129
Nov-19	119.80	97.10	98,821.00	951.00	40,794
Dec-19	110.00	97.20	42,845.00	511.00	41,254
Jan-20	139.00	104.65	1,76,124.00	1,515.00	40,723
Feb-20	138.95	108.05	2,30,777.00	1,813.00	38,297
Mar-20	134.85	78.00	1,74,954.00	1,510.00	29,468

[G] Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc — As mentioned above

[H] In case the securities are suspended from trading, the directors report shall explain the reason thereof; — The securities are not suspended from trading. So no disclosures are mentioned explaining the reasons thereof.

[I] Address of Registrars and Share transfer agent: — Link Intime India Private Limited,
B-102-103, Shangrila Complex, First Floor,
Near Radhakrishna Char Rasta, Akota, VADODARA - 390 020
Telephone No. 0265- 2356573 / 2356794
E-mail : vadodara@linkintime.co.in
Website: www.linkintime.co.in Fax: 0265-2356791

[J] Share Transfer System: — The Company's shares are traded in the Bombay Stock Exchange compulsorily in dematerializes mode. Shares in physical mode which are lodged for transmission are processed and returned to the shareholders within the stipulated time by the share transfer agent Link Intime India Private Limited, Vadodara.

[K] Distribution of shareholding as on 31st March, 2020: — Shareholding as per ownership is as under:

Category	No. of Shares	Percent
Promoter Group	80,69,307	49.95%
NRI/OCB	18,04,929	11.17%
Bodies Corporate	3,46,371	2.14%
Others	59,34,193	36.74%
Total	1,61,54,800	100.00%

[L] Dematerialization of share and liquidity: — As on 31st March, 2020, 86.49 % of the Company's total shares representing 1,39,72,095 shares were held in dematerialized form and the balance 13.51% representing 21,82,705 shares were held in paper form.

[M] Outstanding GDR's /ADR's/ Warrants or any Convertible instruments, conversion date and likely impact on equity — NIL

[N] Commodity price risk or foreign exchange risk and hedging activities — **Mentioned below:**

Commodity price risk — Risk of price fluctuation on basic raw materials like steel, components, power as well as finished goods used in the process of manufacturing.

Foreign exchange risk and hedging activities — Any volatility in the currency market can impact the overall profitability.

[O] Plant Locations: — The Company's Plant is located at: Vadodara-Halol Highway, Baska, Panchmahal-389350, Gujarat Tel: [02676] 247900

[P] Address for correspondence with Company — Vadodara-Halol Highway, Baska, Panchmahal-389350, Gujarat Tel: [02676] 247900

[Q] List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad — The Company has not issued debt instruments or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds

10. Other Disclosures:

(a)	Disclosures on materially significant related party transactions i.e. Transaction of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large	• There is no materially significant related party transactions with its promoters, the Directors or the management, their subsidiaries or relatives etc. during the year. However, the details for payment of remuneration and professional fee is given here under: • Managerial Remuneration is paid to Shri Ajay Naishad Desai, Executive Director and Shri Ajay Nalin Parikh, Executive Director. • Professional fees have been paid to Morphis Business Advisory LLP., in which Mr. Ameet Nalin Parikh is partner, from 01.04.2019 to 31.03.2020.
(b)	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets during the last three years	There was no instance of non-compliance by the company.
(c)	Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee	• The Board has appointed the following persons as members of vigil committee: 1. Shri Ajay Naishad Desai, Whole time Director 2. Shri Sandeep Gul Lalwani, Non-Executive Independent Director 3. Shri Ameet Nalin Parikh, Non-Executive Director • Whistle Blower Policy: The Company has adopted whistle blower policy. • There was no instance of denying access to audit committee by any personnel.
(d)	Details of compliance with mandatory requirements and adoption of non-mandatory requirements	The company has complied with all mandatory requirements and the company has not adopted any non-mandatory requirements.
(e)	web link where policy for determining material subsidiaries is disclosed	Not applicable as there is no subsidiary company of the company
(f)	web link where policy on dealing with related party transactions	www.axtelindia.com
(g)	disclosure of commodity price risks and commodity hedging activities	Risk of price fluctuation on basic raw materials like steel, components, power as well as finished goods used in the process of manufacturing.
(h)	Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	NOT APPLICABLE
(i)	a certificate from a company secretary in practice 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.	Certificate attached with the corporate governance report
(j)	Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.	NOT APPLICABLE

(k)	Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.]	Total fees paid to the statutory auditor during the FY 2019-20: Rs. 2,51,000/- Bifurcation of the same is as under: Audit fees: Rs. 1,20,000/- Taxation Matters: Rs. 30,000/- Other matters: Rs. 1,01,000/-
(l)	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:	Mentioned below:
	a. Number of complaints filed during the financial year	NIL
	b. Number of complaints disposed of during the financial year	NIL
	c. Number of complaints pending as on end of the financial year.	NIL

11. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof:

There was no instance of any non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) specified.

12. The company has not adopted any discretionary requirements as specified in Part E of Schedule II.

13. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are made in this corporate governance report which is a part of the annual report.

14. The Executive Director and CFO have given appropriate certification as required under regulation 17(8) read with Schedule II part B of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the Board of Directors.

15. Disclosures required under Schedule V of Annual Report pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015:

Disclosures mentioned in part D of Schedule V:

The Executive Director has signed declaration stating that members of the Board of Directors and senior management personnel have affirmed compliance with code of conduct of Board of Directors and senior management as required as per para D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Disclosures mentioned in part E of Schedule V:

Compliance certificate from practicing company secretary regarding compliance of conditions of corporate governance has been annexed with this report.

Disclosures mentioned in part F of Schedule V:

There are no shares in demat suspense account or unclaimed suspense account.

By Order of the Board of Directors

	Ajay Naishad Desai	**Ajay Nalin Parikh**
Date: 26/06/2020	Executive Director	Executive Director
Registered Office:	DIN: 00452821	DIN: 00453711
Vadodara-Halol Highway,		
Baska, Panchmahal-389350, Gujarat		

Certificate on Compliance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Axtel Industries Limited,
Village: Nurpura, P.O.: Baska
Halol: 389 350,
Dist. Panchmahal, Gujarat

We have reviewed the records concerning the company's compliance of conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2020.

The compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions on the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for the review and the information and explanations given to us by the company.

Based on such review, in our opinion, the company has complied with the conditions on Corporate Governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Dinesh Mehta & Co.
Company Secretaries

Place: Vadodara
Date: 23.06.2020

Sd/-
Dinesh Mehta
Proprietor
C.P NO. 2127
UDIN: F008419B000370451

CERTIFICATE

To,
Axtel Industries Limited,
Village: Nurpura, P.O.: Baska
Halol: 389 350,
Dist. Panchmahal, Gujarat

On the verification of company information and directors details and records provided to us by the Company and after verifying the details and records of directors on Ministry of Corporate Affairs site, we hereby confirm 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 SEBI/Ministry of Corporate Affairs or any such statutory authority.

This certificate is issued specifically for disclosures to be required for Corporate Governance.

For Dinesh Mehta & Co.
Company Secretaries

Place: Vadodara
Date: 23.06.2020

Sd/-
Dinesh Mehta
Proprietor
C.P NO. 2127
UDIN: F008419B000370385

INDEPENDENT AUDITOR'S REPORT

To the members of
AXTEL INDUSTRIES LIMITED

Report on the Financial Statements

Opinion:

We have audited the accompanying Financial Statements of **Axtel Industries Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income),Statement of Changes in Equity,Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information(hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key audit matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matters	How our Audit addressed the Key audit Matter
1. Ind AS 115 "Revenue from Contracts with Customers" The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. We have considered revenue recognition as a key audit matter on account of the qualitative and quantitative factors as mentioned above *Refer to Note(s) (I)F to the financial statements*	Review Company's process to identify the impact of adoption of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the controls. • Selecting a sample of continuing and new contracts • Management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Read, analysed and identified the distinct performance obligations, • Comparing these performance obligations with that identified and as recorded, • The terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price. • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets
2. Indirect tax - compliance and evaluating uncertainties The applicability of GST Act, since 1st July 2017, and evaluating its compliances, along with the appropriateness of the availing of credits and exemptions. Proposed annual compliances related to the act is not yet due and thus creating substantial uncertainty of the enumeration of the liability and credits, as available to the company. The reasonableness of the estimation and availability of its classification as identified by the company.	• Selecting a sample of data and its reflection in regular filing, • Controls relating to areas covered and reflection of carry forward of amounts from subsumed legislations, • Contracts and related information used in recording and disclosing obligations relating to revenue in accordance with the new revenue accounting standard. • The terms of the contracts to determine the transaction price including any variable consideration and its indirect tax implications to sampled contracts.

	• Samples in respect of tax obligations revenue recorded for time and material contracts were tested using a combination • Review of statements of verification undertaken by third party for evaluating the obligation.
3. Provision for credit loss for accounts receivables Trade receivables as on March 31, 2020 amounts to Rs. 1071.34 lakhs against which provision of Rs. Nil was made towards expected credit loss in the books ofaccount. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows. *Refer Note 8 of Financial statement.*	• Our audit procedures in respect of this area include but are notlimited to: • Obtained understating of the Company's policy on assessment of impairment of trade receivables, including design and implementation of controls, validation of management review controls. We have verified the operating effectiveness of these controls. • Requested for and obtained independent balance confirmations from the Company's customers on sample basis. • Verified subsequent receipts after the year-end on sample basis. • Verified aging of trade receivables for sample of customer transactions. • Assessed the trade receivables impairment methodology applied in the current year and compared the Company's provisioning rates against historical collection data

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows in accordance with the Ind ASand other accounting principles generally accepted in India. The Boards of Directors of the companyare responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or errorwhich have been used for the purpose of preparation of the financial statements by the Directors of the Company, as aforesaid.

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

The board of directors 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 skepticism throughout the audit. We also:

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

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

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.

Other Matters

We draw your attention to Note No. 30 (15) describes the impact of Coronavirus disease 2019 (COVID19) on the operations and financials of the Company, Nos.19, 13, 2 disclosing the impact of borrowings on basis of pledged investments, and No 30 (13) of CSR expense in the attached financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, based on our audit, 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 purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the 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 IndAS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respectto the matter to be included in the Auditors' Report under Section 197(16) of the Act:In our opinion and according to the information and explanations given to us theremuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to the Directors is not in excess of the limit laid down under Section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **VCA & ASSOCIATES**
Chartered Accountants
FRN: 114414W

(**CA. ASHOK THAKKAR)**
Partner
Membership No. : 048169
UDIN :20048169AAAABC3245

Place: Vadodara
Date: 26/06/2020

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

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

   (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

   (c) The title deeds of immovable properties are held in the name of the company.

2) (a) The management has conducted the physical verification of inventory at reasonable intervals.

   (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the company as there are no transactions entered by the company in respect of loans, investments, guarantees, and security to which the provisions of section 185 and 186 of the Companies Act, 2013 apply.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As per information& explanation given by the management, maintenance of cost records has been prescribed by the Central Government under- sub-section (1) of Section 148 of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate

authorities and that no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable. As informed to us the provisions relating to Employee State Insurance are not applicable to the Company

(b) According to the information and explanation given to us, there are no dues of income tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess,Service Tax, value added tax outstanding on account of any dispute except for the Fringe Benefit Taxes. According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of Fringe Benefit Tax as at 31st March 2020 which have been deposited under protest as it is disputed, details of which is as follows:

Name of Statue	Name of Dues	Amount (Rs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Fringe Benefit Tax	1,93,150/-	P.Y. 05-06 A.Y. 06-07	Dy. Comm. of IncomeTax, Godhra for Re-assessment under order of ITAT, Ahmedabad

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals and resolutions mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the reporting provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in theInd AS Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **VCA & ASSOCIATES**
Chartered Accountants
FRN: 114414W

(**CA. ASHOK THAKKAR)**
Partner
Membership No. : 048169
UDIN :20048169AAAABC3245

Place: Vadodara
Date: 26/06/2020

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Axtel Industries Limited for year ended 31st March, 2020

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

We have audited the internal financial controls over financial reporting of Axtel Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 Institute of Chartered Accountants of India.

For **VCA & ASSOCIATES**
Chartered Accountants
FRN: 114414W

(**CA. ASHOK THAKKAR)**
Partner
Membership No. : 048169
UDIN :20048169AAAABC3245

Place: Vadodara
Date: 26/06/2020

BALANCE SHEET AS AT MARCH 31ST, 2020

Particulars	Note No.	As at 31st March, 2020 Rs. In lacs	Rs. In lacs	As at 31st March, 2019 Rs. In lacs	Rs. In lacs
(A) **ASSETS :**					
(1) **Non - current assets**					
(a) Property Plant and Equipment	1		**1,522.98**		1,549.91
(b) Other Intangible Assets	1		**57.07**		34.36
(c) Capital work in progress	1		**59.22**		20.25
(d) Financial Assets					
(i) Investments	2	**220.62**	**-**	1,489.54	-
(ii) Trade receivables	-	**-**	**-**	-	-
(iii) Loans and advances	3	**412.43**	**-**	412.43	-
(iv) Others	4	**4.24**	**637.29**	1.60	1,903.57
(e) Deferred tax assets (Net)	5		**38.75**		35.04
(f) Other non current assets	6		**73.91**		73.13
Total Non-current Assets			**2,389.21**		3,616.25
(2) **Current Assets**					
(a) Inventories	7		**3,072.96**		2,171.13
(b) Financial Assets					
(i) Investments	2	**2,396.98**	**-**	-	-
(ii) Trade receivables	8	**1,187.13**		1,942.50	
(iii) Cash and cash equivalents	9	**426.82**		549.71	
(iv) Bank Balances other than above	-	**-**		-	
(v) Loans and advances	3	**-**		-	
(vi) Other financial Assets	4	**13.66**	**4,024.59**	3.66	2,495.87
(c) Current Tax Assets (Net)	10		**447.68**		108.77
(d) Other current assets	6		**351.23**		37.35
Total Current Assets			**7,896.46**		4,813.11
Total Assets			**10,285.68**		**8,429.36**
(B) **EQUITY AND LIABILITIES**					
Equity					
(a) Equity Share Capital	11		**1,615.48**		1,615.48
(b) Other Equity	12		**3,884.50**		3,590.68
Total Equity			**5,499.98**		5,206.16
Liabilities					
(1) **Non - current liabilities**					
(a) Financial Liabilites					
(i) Borrowings	13	**64.92**		92.22	
(ii) Trade payables	-	**-**		-	
(iii) Other financial Liabilties	-	**-**	**64.92**	-	92.22
(b) Provisions	17		**403.41**		403.41
(c) Other Non-current liabilities	-		**0.09**		0.09
Total Non-current Liabilites			**468.42**		495.73
(2) **Current Liabilities**					
(a) Financial Liabilites					
(i) Borrowings	13	**709.67**		23.64	
(ii) Trade payables	14	**-**		-	
Dues to MSME Enterprise		**592.15**		538.13	
Dues to Other Than MSME Enterprise		**1,132.37**		849.32	
(iii) Other financial Liabilties	15	**203.18**	**2,637.36**	166.00	1,577.10
(b) Other Current liabilities	16		**1,559.00**		1,045.68
(c) Provisions	17		**120.91**		104.69
Total Current Liabilites			**4,317.27**		2,727.47
Total Equity and Liabilities			**10,285.68**		**8,429.36**
Significant Accounting policies	**(I)**		**-**		-
Notes on Financial statements	1 to 30				

In Accordance with our Report of even date

For and on behalf of the Board

For VCA & ASSOCIATES
Chartered Accountants
Firm number: 114414W

(CA ASHOK THAKKAR)	**(AJAY DESAI)**	**(AJAY PARIKH)**	**(PRERNA BOKIL)**	**(RAJENDRA BHAVSAR)**
Partner/M.No. 048169	**Executive Director**	**Executive Director**	**Company Secretary**	**Chief Financial Officer**

Date: 26.06.2020 **Date: 26.06.2020**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2020

Particulars		Note No.	For the year ended on 31st March, 2020 Rs. In lacs	Rs. In lacs	For the year ended on 31st March, 2019 Rs. In lacs	Rs. In lacs
INCOMES						
I.	Revenue from Operations	18		**9,965.29**		11,075.08
II	Other Income	19		**389.73**		275.12
III	**Total Income (I + II)**			**10,355.02**		11,350.20
IV	**EXPENSES**					
a	Cost of materials consumed	20	**5,541.14**	**-**	5,528.65	-
b	Purchase of Stock-in-Trade			-		-
c	Changes in inventories of finished goods, Work in Progress and Stock in Trade	21	**(824.34)**	**4,716.80**	(92.65)	5,436.00
d	Employee benefits expense	22		**2,306.28**		2,036.12
e	Finance costs	23		**70.47**		48.08
f	Depreciation and amortization expense	24		**268.14**		279.67
g	Other expenses	25		**1,506.84**		1,615.03
	Total Expenses			**8,868.54**		9,414.90
V	Profit/(Loss) before exceptional and tax (III-IV)			**1,486.48**		1,935.31
VI	Exceptional Items : Provision for Debtors W/off			**-**		(115.78)
VII	Profit before Tax (V-VI)			**1,486.48**		1,819.52
VIII	Tax expense:					
(1)	Current tax (Refer Note No. 9 in other notes)		**401.13**		538.06	
(2)	Defered tax		**(3.71)**	**397.42**	(14.46)	523.60
IX	Profit/(Loss) for the year (IX - XII)			**1,089.06**		1,295.92
X	Other Comprehensive Income					
(i)	**Items that will be reclassified to profit or loss**			**-**		-
	Exchange Rate Fluctuation on coversion of Balances and Depreciation of P.P.E Revaluation			**-**		-
	Re-measurement of gain/ Loss on gratuity Plan			**(22.87)**		(148.87)
(ii)	**Income tax relating to items that will be reclassified to profit or loss**			**6.66**		0.00
XI	Total Other Comprehensive Incomes for the period (XIII+XIV)			**(16.21)**		(148.87)
XII	Total Comprehensive Income for the year (IX+XI)			**1,072.84**		1,147.05
XIII	Earning per equity share:	28				
(1)	Basic			**6.74**		8.02
(2)	Diluted			**6.74**		8.02
Significant Accounting policies		**(I)**				
Notes on Financial statement		1 to 30				

In Accordance with our Report of even date

For VCA & ASSOCIATES
Chartered Accountants
Firm number: 114414W

(CA ASHOK THAKKAR)
Partner/M.No. 048169

Date: 26.06.2020

For and on behalf of the Board

(AJAY DESAI)
Executive Director

(AJAY PARIKH)
Executive Director

(PRERNA BOKIL)
Company Secretary

(RAJENDRA BHAVSAR)
Chief Financial Officer

Date: 26.06.2020

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2020

(Amount Rs in lacs)

Particulars	For the year ended on 31st March, 2020		For the year ended on 31st March, 2019	
Cash flows from operating activities				
Profit before taxation - continuing operations	-	1,486.48	-	1,819.52
Adjustments for:	-	-	-	-
Depreciation and amortization expense	268.14	-	279.67	-
Loss/gain on sale/W-off of Property Plant and Equipments /MF	(7.47)	-	1.31	-
Loss/Gain on Current Fin-Assets measured at FVTPL	(94.84)	-	2.36	-
Gain on Non-Current Fin-Assets measured at FVTPL	-	-	-	-
Dividends received	(88.64)	-	(65.22)	-
Interest received	(103.92)	-	(12.02)	-
Finance Costs	70.47	-	48.08	-
Provision for doubtful debts and advances (Net)	-	-	115.78	-
Bad debts Written off (Net of Provision)	-	-	-	-
Net Exchange differences	-	-	-	-
		43.76		369.96
Operating profit before working capital changes		1,530.23		2,189.48
Changes in Working Capital :				
(Increase)/ decrease in trade and other receivables	89.16	-	269.37	
(Increase)/ decrease in inventories	(901.84)	-	(386.29)	
Increase/(decrease) in trade payables and other Liabilites	887.56	-	(619.96)	
		74.87		(736.88)
Cash generated from operations		1,605.11		1,452.60
Income taxes paid/refund (Net)		401.13	-	538.06
Cash flow before extraordinary item		1,203.97	-	914.04
Proceeds from extraordinary item		-	-	-
Net cash from operating activities		1,203.97		914.04
Cash flows from investing activities				
Purchase of property, plant and equipment (including Capital Work in Process)	(302.90)	-	(169.42)	
Proceeds from sale of property, plant and equipment	-	-	2.50	
Proceeds from Sale of Non - Current Investments	5,117.63	-	2,200.00	
Purchase of Investments	(6,143.38)	-	(2,265.22)	
Placement / Invetment in Bank Deposits				
Encashment/ Redemption of Bank deposits				
Interest received	103.92		12.02	
Dividend received	88.64		65.22	
Net cash from investing activities		(1,136.09)		(154.90)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2020

(Amount Rs in lacs)

Particulars	For the year ended on 31st March, 2020		For the year ended on 31st March, 2019	
Cash flows from financing activities				
Proceeds from Issuance of Equity Share capital	-		-	
Proceeds from long term borrowings	(25.47)	-	(23.64)	
Proceeds from short term borrowings	1,055.93	-	(285.70)	
Repayment of Short term borrowings	(371.73)	-	-	
Repayment of finance lease obligation	-	-	-	
Interest and Finance cost paid	(70.47)	-	(48.08)	
Dividend paid and DDT	(779.02)	-	(292.13)	
Net cash from financing activities		(190.77)		(649.55)
Net increase/(decrease) in cash and cash equivalents		**(122.89)**		**109.58**
Cash and cash equivalents at beginning of reporting period		549.71		439.62
Cash and cash equivalents at end of reporting period		**426.82**		**549.21**

Cash & Cash equivalents:

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:

Cash on hand and bank balances	426.82	549.71
Short term investments		
Cash and cash equivalents as reported	426.82	549.71
Effect on exchange rate changes		
Cash and cash equivalents as restated	426.82	549.71

In Accordance with our Report of even date

For VCA & ASSOCIATES
Chartered Accountants
Firm number: 114414W

(CA ASHOK THAKKAR)
Partner/M.No. 048169

Date: 26.06.2020

For and on behalf of the Board

(AJAY DESAI)
Executive Director

(AJAY PARIKH)
Executive Director

(PRERNA BOKIL)
Company Secretary

(RAJENDRA BHAVSAR)
Chief Financial Officer

Date: 26.06.2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2020

(Rs. In lacs)

(a) **Equity Share Capital**

Particulars	**Refer Note**	Number of Shares	Amount (Rs.)
Balance as at 1st April, 2018		1,61,54,800	1,615.48
Changes in equity Share Capital during the year	11	-	-
Balance as at 31st March,2019		1,61,54,800	1,615.48
Changes in equity Share Capital during the year	11	-	-
Balance as at 31st March,2020		1,61,54,800	1,615.48

(b) **Other Equity** **(Rs. In lacs)**

Particulars	Attributable to owners of Company Reserves & Surplus			Total
	Capital Reserve (Rs.)	Other Reserves (Rs.)	Retained earnings (Rs.)	Other Equity (Rs.)
Balance as at 1st April, 2018	**25.00**	**20.55**	**2,646.85**	**2,692.41**
Total Comprehensive Income of the year ended 31st March 2019				
Profit of the year	-	-	1,295.92	1,295.92
Other Comprehensive Income - Net of Tax			(105.52)	(105.52)
Total Comprehensive Income of the year 2018-19	25.00	20.55	3,837.26	3,882.81
Payment of Dividend including Corporate	-	-	(242.32)	(242.32)
Dividend Tax	-	-	(49.81)	(49.81)
Balance as at 31st March, 2019/1st April, 2019	**25.00**	**20.55**	**3,545.13**	**3,590.68**
Total Comprehensive Income of the year ended 31st March 2020				
Profit of the year	-	-	1,089.06	1,089.06
Other Comprehensive Income - Net of Tax			(16.21)	(16.21)
Total Comprehensive Income of the year	25.00	20.55	4,617.97	4,663.52
Payment of Dividend including Corporate ***(*)***	-	-	(646.19)	(646.19)
Dividend Tax ***(#)***	-	-	(132.83)	(132.83)
Balance as at 31st March, 2020	**25.00**	**20.55**	**3,838.95**	**3,884.50**

(*)	**Dividend for F.Y 18-19**	**242.32**
	Interim Dividend for F.Y 19-20	**403.87**
(#)	**Dividend Tax of Dividend - F.Y. 18-19**	**49.81**
	Dividend Tax of Interim Dividend - F.Y. 19-20	**83.02**

In Accordance with our Report of even date

For VCA & ASSOCIATES
Chartered Accountants
Firm number: 114414W

(CA ASHOK THAKKAR)
Partner/M.No. 048169

Date: 26.06.2020

For and on behalf of the Board

(AJAY DESAI) **Executive Director**

(AJAY PARIKH) **Executive Director**

(PRERNA BOKIL) **Company Secretary**

(RAJENDRA BHAVSAR) **Chief Financial Officer**

Date: 26.06.2020

CORPORATE INFORMATION

Axtel Industries Limited was incorporated in 1991 as public limited Company and presently has registered office at P.O. Nurpura, Vadodara – Halol Highway, Tal : Halol Dist.: Vadodara. The Equity Shares of the Company are listed on BSE Ltd. (BSE). The Company is principally engaged in business of manufacturing of process engineering equipment for food Pharmaceuticals and Chemical Industries

(I) SIGNIFICANT ACCOUNTING POLICIES

A Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

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

(iii) Current non-current classification

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

(iv) Rounding of amounts

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

B Use of estimates and judgments

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

C Property, plant and equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence, regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other items of repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred

Depreciation:

- Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. The Company has adopted Written Down Value method rates prescribed in Schedule II of the Act for providing depreciation.

Intangible Assets:

Intangible Assets representing

- Computer Software are amortised using Written down value method as per rates and life cycle of Computer stated as per schedule II of the Act

Asset Impairment:

The Company reviews the carrying values of tangible assets for any possible impairment at each balance sheet date. Impairment loss, if any, is recognized in the year in which impairment takes place.

D Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

2) those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit & Loss are expensed in the Statement of Profit and Loss.

E Valuation of Inventories

Inventories are valued at lower of the cost and net realizable value. The cost is arrived at moving weighted average method, and includes related overhead. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

Cost of WIP, inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

F Revenue recognition

The Company derives revenue primarily from sale of Machinery i.e. manufactured goods and the related services.

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes/Goods and Service Tax (GST). Since, the GST is collected by the seller on behalf of the Government, accordingly it is excluded from revenue.

The Company recognizes revenue when the amount of revenue can be reliably measured upon performance of obligation(s), it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of goods

Revenue from Sales are recognized when substantial risk and rewards of ownership are transferred to customer, in case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter.

In case of export customers, generally sales take place when goods are shipped on-board based on bill of lading.

The Performance Obligation in our contract are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms

Sales Return-

The Company recognizes provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Revenue from services

Revenue from services is recognized in the accounting period in which the services are rendered.

Other operating revenue – Export incentives

Rent and other incomes are recognised on accrual basis and Export Incentives are generally accounted in the year of export. However, Export incentive accruing under MEIS Scheme are accounted when sold.

G Foreign Exchange Transaction:

i) Transactions in foreign currencies are accounted for at prevailing exchange rates, Gains and losses arising out of subsequent fluctuations are accounted for on actual payment / realizations in the statement of profit and loss. The Current Assets and Current Liabilities related to foreign currency transactions, other than those covered by forward contracts, remaining unsettled at the end of the year are adjusted at the rates prevailing at the year end.

ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and loss.

H Borrowings

The borrowings are initially recognized at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

I Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

J Tax Expense:

The tax expense for the period comprises current and deferred tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- **Deferred tax**

  Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

K Provision, Contingent Liabilities and Contingent Assets:

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

L Derivatives:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculation purposes. The Company records the gain or loss on effective hedges in the Statement of Profit and Loss of that period when they arise

M Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and pension fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and pension fund maintained by Government's Employee Provident Fund Organisation. The Company recognizes contribution payable to the provident fund and pension fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

N Leases :

The company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset in return for payment.

Ind AS 116 "Leases" is effective for annual periods beginning on or after 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on Balance Sheet model similar to the accounting for finance lease under Ind AS-17. The standard includes two recognition exemptions for lessees- leases of "low – value" assets and short-term leases (i.e. for 12 months or less term). At commencement date of Lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

There are no identifiable material leases to be reported and there will be no significant impact on financial statement in respect of Leases

O Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1 Property, Plant and equipment, Capital work-in-progress and intangible assets

(Rs. In lacs)

Particulars	Property Plant and Equipments										Other Intangible Assets	Capital Work-in-Progress
	Freehold Land	Factory Building	Plant & Machinery	Furniture & Fixture	Vehicles	Office Equipments	Office Building	Electrification	Computer System	Total Tangible Assets	Computer Software	
GROSS CARRYING VALUE (Deemed Cost)												
Balance as on 1st April, 2018	152.13	843.52	558.40	59.87	189.42	45.03	130.13	117.82	82.91	2,179.22	57.54	-
Additions	-	25.43	74.51	4.33	0.00	11.97	-	0.46	10.70	127.40	21.77	-
Disposals	-	-	-	-	(1.66)	-	-	-	-	(1.66)	-	-
Reclassification / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31st March, 2019	152.13	868.95	632.90	64.19	187.76	57.00	130.13	118.29	93.61	2,304.96	79.31	20.25
Additions	51.55	6.65	106.51	2.09	-	5.60	-	2.38	41.17	215.95	47.98	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification / Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31st March 2020	203.68	875.60	739.42	66.28	187.76	62.60	130.13	120.67	134.78	2,520.91	127.29	59.22
ACCUMALATED DEPRECIATION AND AMORTISATION												
Balance as on 1st April, 2018	-	152.76	177.05	24.00	15.18	18.12	12.67	30.17	59.50	489.45	31.96	
Charge for the year		65.73	76.47	9.58	53.05	15.87	5.72	22.80	17.47	266.68	12.99	
Disposals					(1.08)					(1.08)		
Reclassification / Adjustments										-		
Balance as on 31st March, 2019	-	218.50	253.51	33.58	67.14	33.99	18.39	52.97	76.97	755.05	44.95	
Charge for the year		62.18	78.54	8.30	37.67	11.38	5.44	17.27	22.09	242.87	25.27	
Disposals												
Reclassification / Adjustments								-	-	-		
Balance as on 31st March 2020	-	280.68	332.06	41.88	104.81	45.37	23.83	70.23	99.06	997.93	70.22	
As At 1st April, 2018	152.13	690.76	381.35	35.86	174.24	26.91	117.45	87.65	23.41	1,689.76	25.57	
As At 31st March, 2019	152.13	650.45	379.39	30.61	120.62	23.02	111.73	65.32	16.64	1,549.91	34.36	
As At 31st March, 2020	203.68	594.92	407.36	24.40	82.95	17.23	106.29	50.43	35.71	1,522.98	57.07	
			As on 31st March 2020		**As on 31st March, 2019**		**As on 1st April, 2018**					
NET CARRYING VALUE			**Value**	**Depreciation**	**Value**	**Depreciation**	**Value**	**Depreciation**				
Property Plant and Equipment			1,522.98	242.87	1,549.91	266.68	1,689.76	224.58				
Intangibles - Computer Software			57.07	25.27	34.36	12.99	25.57	14.12				
Capital Work In Process			**59.22**	**-**	**20.25**	**-**	**-**					
			1,639.27	**268.14**	**1,604.51**	**279.67**	**1,715.34**	**238.71**				

Rs. In lacs

Particulars	As at 31st March, 2020 (Rs.)		As at 31st March, 2019 (Rs.)	
2 INVESTMENTS				
Non - current Investment - Unqoted				
Investment in Mutual Funds (at FVTPL)	**No of Units**	**Amount**	**No of Units**	**Amount**
(1) Mutual Fund - Quarterly Dividend				
- Regular Reinvestment	21,73,095.87	220.62	20,67,253.32	210.74
(2) Mutual Fund Investment - Daily Dividend	-	-	12,67,104.30	1,278.80
Total - NON- Current Investment		**220.62**		**1,489.54**
Current Investment - Unquoted	**-**	**-**	**-**	**-**
Investment in Mutual Funds (at FVTPL)				
(1) Mutual Fund Investment - Daily Dividend	19,51,584.49	1,154.81	-	-
(2) Mutal Fund Trust - Monthly Interest Payment	3.00	1,242.17	-	-
Total - Current Investment		**2,396.98**		**-**

NOTE:

The Company has pledged above investments during the year to obtain a credit line from Credit Suisse (I) Pvt. Ltd. used for further investments, for which charge is created

Financial Assets :
(Unsecured Considered Good unless otherwise stated)

3 LOANS & ADVANCES				
Non - current				
Loans/Advance to employees				
Earmarked Funds		405.09		405.09
Deposits		7.33		7.33
Advance GivenAgainst Orders		-		-
Total Non-Current		**412.43**		**412.43**
Current				
Loans/Advance to employees		-		-
Deposits		-		-
Advance GivenAgainst Orders		-		-
Total Current		**-**		**-**

4 OTHER FINANCIAL ASSETS			(Rs. In lacs)	
Non - current				
Duty Drawback receivable		4.24		1.60
Total Non-Current		**4.24**		**1.60**
Current				
Duty Drawback receivable		13.66		3.66
Interest Accrued on Deposit		**-**		**-**
Total Current		**13.66**		**3.66**

(Rs. In lacs)

Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
5 DEFERRED TAX (NET) AND MOVEMENT OF DEFERED TAX ASSET/LIABILIES		
Defererd Tax Asset on at beginning of year	35.04	20.57
Add : Property, Plant and Equip	3.54	14.67
: 43B Disalloawanc and Allowances	0.17	(0.20)
Total : Defered Tax Assets on 31.03.2019		35.04
Total : Defered Tax Assets on 31.03.2020	38.75	**-**
LESS :		
Defered Tax Liabilites	-	-
Net Defered Tax Assets	**38.75**	**35.04**
6 OTHER ASSETS		
Non - current		
Advance given		
Deposit/balance with Statutory Authorities	73.91	73.13
Advance GivenAgainst Orders	-	-
Total- Non-Current	**73.91**	**73.13**
Current		
Prepaid Expenses	68.59	28.61
Loans/Advance to employees	33.80	1.93
Advance GivenAgainst Orders	66.68	5.71
Deposit/balance with Statutory Authorities	182.16	1.11
Total - Current	**351.23**	**37.35**
7 INVENTORIES		
(at lower of the cost and Net realisable Value)		
Raw Materials and Componenets	1,451.27	1,373.78
Work - in - Progress	1,621.69	797.35
Total	**3,072.96**	**2,171.13**
8 TRADE RECEIVABLES		
(Unsecured unless otherwise stated)		
Non - current Receivales	**-**	**-**
Current Receivables		
- Considered Good	1,302.92	2,058.29
- Considered Doubtful	-	-
Less : Allowance for Doubtful Debts	(115.78)	(115.78)
Total	**1,187.13**	**1,942.50**
Movement in the expected Credit Loss Allowance		
Balance at the Beginning of the year	(115.78)	(115.78)
Changes in expected Credit Loss Allowance	NIL	NIL

Note :

a. The average credit period ranges from 01 to 90 days. No Interest is charged on trade receivable during credit period.

b. The Company has not provided for expected credit loss as it has used a practical expedient for Computing the expected credit loss allowance for trade receivables based on historical credit loss experience and adjusted to forward looking information. Further, the debts are examined and assessed partywise individually by respective department head and top management, for doubtful recovery, if any. As a final result of the above exercise it is determined that no allowance is required for Credit Loss as there is no bad debts in recent past

c. Ageing	(%)	(Rs. in Lacs)	(%)	(Rs. in Lacs)
Within 01 - 90 days	83.006%	1,081.50	94.456%	1,944.18
Within 90 -180 days	4.419%	57.58	2.693%	55.43
Within 180 -365 days	1.389%	18.10	0.001%	0.02
Above 365 days	11.186%	145.74	2.850%	58.66
Total		**1,302.92**		**2,058.29**

(Rs. In lacs)

Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
9 CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents		
- Cash on hand	1.08	0.42
Balance with Banks		
- In Current Account	133.47	232.33
- In EEFC Account	60.45	98.03
- In Fixed Deposit Account (with Original Maturity of less than 12 months)	231.81	218.93
Total	**426.82**	**549.71**
10 CURRENT TAX ASSETS /LIABILITES (NET)		
Current		
Advance Tax/Tax deducted At Source	801.78	846.47
Less : Current Tax Liabilies		
Provision for taxes	(354.09)	(737.70)
Total Current Tax Assets (NET)	**447.68**	**108.77**

(*) *Also Refer to Note No 30(4) for Tax*

11 EQUITY SHARE CAPITAL

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number	AMOUNT (₹)	**Number**	AMOUNT (₹)
Authorized:				
2,00,00,000 Equity shares of Rs.10 /- each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
		2,000.00		2,000.00
Issued, subscribed and fully paid up:				
161,54,800 Equity shares of Rs.10 /- each	-	-		
Reconciliation of Equity Shares Outstanding at the begining and at the end of the reporting year				
At the beginning of the reporting period	1,61,54,800	1,615.48	1,61,54,800	1,615.48
- Issued during the reporting period	-	-	-	-
- Bought back during the reporting period	-	-	-	-
At the close of the reporting period	1,61,54,800	1,615.48	1,61,54,800	1,615.48
Total		**1,615.48**		**1,615.48**

The company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Other Information:

Particulars of equity share holders holding more than 5% of the total number of equity share capital:

	Particulars	As at 31.03.2020 Nos	As at 31.03.2019 Nos
1	Ajay Desai	9,21,935	9,21,935
2	Shivash Business Advisory LLP	31,00,000	31,00,000
3	Chaykar Business Advisory LLP	30,55,000	30,55,000

(Rs. In lacs)

Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
12 OTHER EQUITY		
Other Equity		
Reserves and Surplus		
Capital Reserve	25.00	25.00
Other Reserves	20.55	20.55
Retained earnings	0.04	0.04
Other Comprehensive Income Reserve	-	-
OCI	(0.00)	(0.00)
Total	**45.59**	**45.59**
13 BORROWINGS		
(A) Secured		
Term Loans		
Non - current		
- from banks	64.92	92.22
- from Others	-	-
Total Non-Current	**64.92**	**92.22**
Current		
- from banks		
Working Capital Loan - Cash Credit	-	-
Current Maturities of Long Term Borowings	25.47	23.64
- from Others	-	-
Inter Corporate Deposit	684.20	-
Total Current	**709.67**	**23.64**
(B) Unsecured		
Non - current		
Total Non-Current	**-**	**-**
Current	-	-
Total Current	**-**	**-**

Additional Information:

Details of security for secured loans

a. Rs. NIL (P.Y. NIL) secured Working Capital loan from bank Secured by first charge on hypothecation of Plant and machinery, Book Debts and stock and equitable mortagage of land and building.

b. Rs. 90,39,086/- (P.Y. 115,86,464/-) secured Term Loan from bank Secured by first charge on hypothecation of Vehicle Purchase Terms of repayment of term loans :

Term Loan from bank is repayable in 60 Monthly instalments comencing from 15.04.2018 at interest rate of 08.31% p.a.

c. Rs. 6,84,19,650/- (P.Y. NIL) secured Short Term Credit Facility from Finance Company secured by Investments in securities and Mutual Funds pledged to Finance Company avaiable for 36 months Commencing from 15.11.19 at interest rate presently of 8.00% p.a.

14 TRADE PAYABLES		
Non - current		
Trade Deposits -Customers	-	-
Balance with Statutory Authorities	-	-
Total- Non-Current	-	-
Current		
Total outstanding dues to Micor and Small Enterprise Creditors	592.15	538.13
Total outstanding dues to Other Creditors (except refered above)	1,132.37	849.32
Total - Current	**1,724.52**	**1,387.46**

(Rs. In lacs)

Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
15 OTHER FINANCIAL LIABILITES		
Non - current	-	-
Total- Non-Current	-	-
Current		
Interest Accrued but not due		
Trade Deposits	-	10.00
Employee Related Liabilites	14.14	10.75
Liabilties for Expenses	86.87	121.03
Unpaid Dividend	102.17	24.23
Total Current	**203.18**	**166.00**
16 OTHER CURRENT LIABILITES		
Non - current		
Advance from customers	-	-
Statutory Dues/liabilities	0.09	0.09
Total- Non-Current	**0.09**	**0.09**
Current		
Advance from customers	1,503.71	906.04
Statutory Dues/liabilities	55.29	139.63
Total Current	**1,559.00**	**1,045.68**
17 PROVISIONS		
Non - current		
Provision for Employee benefits	403.41	403.41
Total- Non-Current	**403.41**	**403.41**
Current		
Provision for Employee benefits	120.91	104.69
Provision for Indirect Taxes	-	-
Total Current	**120.91**	**104.69**

(Rs. In lacs)

Particulars	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
18 REVENUE FROM OPERATIONS:		
a) Sale of products		
i) Machines Manufactured	9,434.15	10,352.86
Sub -Total (a)	**9,434.15**	**10,352.86**
b) Other Revenue Income		
i) Scrap	58.45	52.63
ii) installation Commissioning Others Services	472.69	669.59
Sub -Total (b)	**531.14**	**722.22**
Grand -Total (a+b)	**9,965.29**	**11,075.08**

(Rs. In lacs)

Particulars	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
19 OTHER INCOME:		
i) Interest income (*)	103.92	12.02
ii) Excise Duty Drawback/Export Incentive	47.05	97.49
iii) Trade discount/Insurance Claims	9.74	3.59
iv) Dividend	88.64	65.22
v) Rental /Other Incomes	3.20	12.00
vi) Gain on Foreign Exchange realisation	34.88	24.11
vii) Profit on Sale of Mutual Fund / Assets	7.47	1.31
viii) Net gain on financial assets designated at fair value through profit and loss (*)	94.84	2.36
ix) Order Cancellation Charges /Reversals	-	57.03
Total	**389.73**	**275.12**

(*) Interest Income includes Rs. 40.09 Lacs (P.Y. Rs.Nil) and FVTPL Gain Includes Rs. 97.20 Lacs (P.Y. Nil) towards Income from specifically pledged investment instruments

20 COST OF MATERIALS CONSUMED:		
a) i) Consumption of raw materials	5,541.14	5,528.65
Total	**5,541.14**	**5,528.65**
b) Consumption of **major** raw materials		
i) S.S./M.S. Steel	590.88	2,091.46
ii) Others	0.05	0.03
21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:		
Stocks at the end of the year		
Work in progress		
Various Machiery and Components	1,621.69	797.35
Total	**1,621.69**	**797.35**
Less:		
Stocks at the beginning of the year		
Work in progress		
Various Machiery and Components	797.35	704.70
Total	**797.35**	**704.70**
(Increase)/Decrease in stock	**(824.34)**	**(92.65)**
22 EMPLOYEE BENEFIT EXPENSES:		
i) Salaries and Wages, Allowances	1,884.39	1,638.86
ii) Contribution to provident and other funds	85.29	67.50
iii) Remuneration to whole time directors	300.00	300.00
iv) Staff welfare expenses	36.61	29.75
Total	**2,306.28**	**2,036.12**
23 FINANCE COSTS:		
i) Interest expense	36.68	17.35
ii) Other borrowing costs	33.80	30.73
Total	**70.47**	**48.08**
24 DEPRECIATION AND AMORTIZATION:		
i) Depreciation	268.14	279.67
Total	**268.14**	**279.67**

(Rs. In lacs)

Particulars	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
25 OTHER EXPENSES:		
i) Power and fuel	71.86	65.20
ii) Labour & job work charges	479.56	391.12
iii) Erection & commissioning	279.92	414.26
iv) Repairs to buildings	5.76	1.90
v) Repairs to machinery	10.35	11.73
vi) Other Manufacturing Expense	25.98	26.62
vii) Selling expenses	-	-
- Freight Outward (Net)	36.11	79.63
- Other Sellling expenses	72.99	17.49
viii) Legal and professional charges	197.78	193.01
ix) Other office Expenses	48.37	44.19
x) Insurance	29.16	118.68
xi) Rates and taxes	1.12	0.10
xii) Repairs others	10.22	7.42
xiii) Travelling Expenses	32.10	54.24
xiv) Conveyance Expenses	100.10	88.39
xv) Payment to the auditors	-	-
- as auditor	2.46	3.34
- for taxation and other matters	-	1.30
- for reimbursement of expenses	0.10	0.04
xvi) CSR Activity expenses	22.93	14.62
xvii) Donations	0.61	0.50
xviii) Freight Inward & Octroi	50.76	49.08
xix) Printing & Stationery	14.20	16.37
xx) Postage & Communication	14.42	15.81
Total	1,506.84	1,615.03

26 ADDITIONAL INFORMATION:

a) **Value of Imports calculated on CIF basis:**

i) Raw Materials used	176.26	137.43

b) **Expenditure in foreign currency: (net of withholding tax)**

i) For Purchase of Raw Material and Travel Expenses	193.35	192.17

c)

Particulars	**% to total**	**Amount (Rs.)**	**% to total**	**Amount (Rs.)**
i) Value of imported raw materials, spare parts and components consumed	2.84%	157.29	2.70%	149.40
ii) Value of indigenous raw materials, spare parts and components consumed	97.16%	5,383.85	97.30%	5,379.24
Total	100%	5,541.14	100%	**5,528.65**

d) **Earnings in foreign exchange:**

Export of goods/Services calculated on FOB basis	2,006.51	1,882.26

(Rs. In lacs)

Particulars	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
27 CONTINGENT LIABILITIES AND COMMITMENTS:		
(to the extent not provided for)		
a) Contingent Liabilities:		
i) Claims against the Company not acknowledged as debts		
ii) Guarantees (Bank)	596.95	677.28
iii) Bills receivable discounted with the bank not matured		
iv) Tax demands under disputes including FBT	1.93	1.93
b) Commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
ii) Uncalled liability on shares and investments partly paid		
iii) Other Commitments (Specify nature)		

(Rs. In lacs)

Particulars	As at 31.03.2020 (Rs.)	As at 31.03.2019 (Rs.)
28 EARNINGS PER SHARE:		
Profit After Tax item:		
Profit for the year after tax expense	1,089	1,296
Less:		
Preference dividend payable including dividend tax	-	-
	1,089	1,296
Weighted average number of equity shares	161.55	161.55
Basic Earning per share	6.74	8.02
Diluted Earning per share	6.74	8.02
Nominal Value per Share	10	10

29. DEFINED BENEFIT AND CONTRIBUTION PLAN

The employees Gratuity and Leave encash fund Scheme is managed by Trust in association with LIC is a defined benefit fund. The Present Value of Obligation is determined based on acturial valuation using Project Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit seperately to buildup the final obligation

(Rs. In lacs)

I) Reconciliation of Opening and Closing balances of Defined Benefit	For the year ended March 2020		For the year ended March 2019	
	Gratuity benefit	Leave Benefits	Gratuity benefit	Leave Benefits
Defined Benefit Obligation at Beginning of the year	541.17	329.58	360.55	315.03
Liability transferred in/ Acquisitions	-	-	-	-
Current Service Cost	33.48	11.60	26.24	9.09
Interest Cost	39.17	23.75	23.61	22.37
Actuarial (Gain)/loss	-	-	-	-
- Due to Chainge in financial assumptions	39.66	23.39	(20.38)	(11.98)
- Due to Chainge in financial assumptions	(3.82)	(0.93)	-	-
- Due to experience adjustments	(28.74)	(21.49)	167.33	2.82
Benefit Paid	(13.32)	(7.07)	(16.19)	(7.74)
Defined Benefit Obligation at the end of the year	607.61	358.82	541.17	329.58

(Rs. In lacs)

		For the year ended March 2020		For the year ended March 2019	
		Gratuity benefit	Leave Benefits	Gratuity benefit	Leave Benefits
II)	**Reconciliation of Opening and Closing balances of Fair value of plan Assets**	-	-	-	-
	Defined Benefit Obligation at Beginning of the year	426.73	298.52	397.48	278.56
	Expected return on Plan Assets	-	-	-	-
	Assets transferred in/ Acquisitions	-	-	-	-
	Interest Income	31.74	21.83	27.16	20.10
	Actuarial (Gain)/loss	(0.26)	(1.02)	1.41	(1.14)
	Employers contribution	-	-	0.68	1.00
	Benefit Paid	-	-	-	-
	Fair value of Plan Assets at year end	458.21	319.32	426.73	298.52
	Actual return on Plan Assets	31.48	20.81	28.57	18.96
III)	**Reconciliation of fair value of Assets and Obligations**	-	-	-	-
	Fair value of Plan Assets	458.21	319.32	426.73	298.52
	Present Value of Obligation	607.61	358.82	(541.17)	329.58
	Amount Recognised in Balance Sheet [Surplus/(Deficit)]	(149.40)	(39.49)	967.90	(31.06)
IV)	**Expenses recognised during the year**	-	-	-	-
	In Income Statement	-	-	-	-
	Current Service Cost	33.48	11.60	26.24	9.09
	Net Interest Cost	7.43	1.92	(3.55)	2.27
	Return on Plan Assets	31.74	21.83	27.16	20.10
	Net Cost	39.17	23.75	23.61	22.37
	In Other Comprehensive Income	-	-	-	-
	Actuarial (Gain)/ Loss	-	-	-	-
	- Due to Chainge in financial assumptions	39.66	23.39	(20.38)	(11.98)
	- Due to Chainge in financial assumptions	(3.82)	(0.93)	-	-
	- Due to experience adjustments	(28.74)	(21.49)	167.33	2.82
	Return on Plan Assets	0.26	1.02	(1.41)	1.14
	Net (Income)/Expense for the period recognised in OCI	7.37	-	145.54	-
	Net (Income)/Expense for the period Not recognised in OCI (as per IND AS - 19)	-	1.99	-	(8.02)
V)	**Investment Details**				
	Insurance Fund	458.21	319.32	426.73	298.52
VI)	**Actuarial Assumption**				
	Financial Assumptions				
	- Discount rate	6.60%	6.60%	7.60%	7.60%
	- Salary Escalation Rate #	7.00%	7.00%	7.00%	7.00%
	- Rate of Employee Turnover	30 % p.a. at younger ages reducing to 1 % p.a. at Older ages	30 % p.a. at younger ages reducing to 1 % p.a. at Older ages	30 % p.a. at younger ages reducing to 1 % p.a. at Older ages	30 % p.a. at younger ages reducing to 1 % p.a. at Older ages

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, promotion seniority and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary

(Rs. In lacs)

		For the year ended March 2020		For the year ended March 2019	
		Gratuity Benefit	Leave Benefit	Gratuity Benefit	Leave Benefit
IV) Sensitivity Analysis					
Discount rate Sensitivity :	Increase by 0.50%	587.33	346.87	521.84	318.17
	(% Change)	**-3.34%**	**-3.33%**	**-3.57%**	**-3.46%**
	Decrease by 0.50%	628.84	371.29	561.55	341.56
	(% Change)	**3.49%**	**3.48%**	**3.77%**	**3.64%**
Salary Growth rate Sensitivity :	Increase by 0.50%	628.64	371.18	561.55	341.57
	(% Change)	**3.46%**	**3.45%**	**3.77%**	**3.64%**
	Decrease by 0.50%	587.33	346.86	521.66	318.06
	(% Change)	**-3.34%**	**-3.33%**	**-3.60%**	**-3.50%**
Withdrawal rate (WR) Sensitivity :	Increase by 10% (WRx110%)	607.04	358.82	541.70	329.97
	(% Change)	**-0.09%**	**0.001%**	**0.10%**	**0.12%**
	Decrease by 10% (WRx90%)	608.22	358.82	540.60	329.17
	(% Change)	**0.10%**	**0.001%**	**-0.11%**	**-0.12%**

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared with the previous period.

30. OTHER NOTES ON ACCOUNTS

(1) FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

ii. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

iii. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation technique.

Level 1 : Quoted (unadjusted) price in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(Rs. In Lakhs)

Financial Assets and Liabilities	As at 31st March, 2020				As at 31st March, 2019			
	Carrying Amount	Level of Input used in			Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
At Amortised Cost Financial Assets								
Loans & Advance	412.43	-	-	412.43	412.43	-	-	412.43
Trade Receivables	1187.13	-	-	1187.13	1942.50	-	-	1942.50
Other Financial Assets	17.90	-	-	17.90	5.26	-	-	5.26
Cash & Cash Equivalents	426.81	-	-	426.81	549.71	-	-	549.71
Other Bank Balances	-	-	-	-	-	-	-	-
Total	2044.27			2044.27	2909.90			2909.90
At FVTPL Financial Assets Investment in Mutual Funds	2617.60	-	-	2617.60	1489.54	-	-	1489.54
At FTOCI Financial Assets	-	-	-	-	-	-	-	-
At Amortised Cost Financial Liabilities								
Borrowings	774.59	-	-	774.59	115.86	-	-	115.86
Other Financial Liabilities	203.18		-	203.18	166.00	-	-	166.00
Trade Payables	1724.51	-	-	1724.51	1387.46	-	-	1387.46
Total	2702.28	-	-	2702.28	1669.32	-	-	1669.32
At FVTPL Financial Liabilities	-	-	-	-	-	-	-	-

Fair value measurements using significant unobservable inputs (level 3)

The following Table presents the change in level 3 items for the year ended 31st March, 2020 and 31st March, 2019

(Rs. In Lakhs)

The following table presents the changes in level 3 items for the year ended 31st March, 2020 and 31st March,2019 :	
	Mutual Fund Instrument
As at 1 April 2018	1422.19
Acquisitions	2265.22
Disposal	2200.00
Gain/losses recognised in profit or loss	2.13
As at 31st March, 2019	1489.54
Acquisitions	6143.38
Disposal	5117.63
Gain/losses recognised in profit or loss (net)	102.31
As at 31st March, 2020	2617.60

(2) Financial risk management objectives and policies

In the course of business, the company is exposed to certain financial risk that could have considerable influence on the Company's business and its performance. These include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk. The Board of Directors review and approves risk management structure and policies for managing risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides service to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The company uses derivative financial instruments, if required, to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

a) Market Risk - Interest rate risk:

Interest rate risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk pertaining to funds borrowed at both fixed and floating interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Sensitivity analysis below has been determined based on the exposures to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible changes in interest rates.

Exposure to interest rate risk (Rs. In Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Borrowings	774.59	115.86
% of Borrowings out of above bearing variable rate of interest	0.00 %	0.00 %

Interest rate Sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax (Rs. In Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
50 bp increase would decrease the profit before tax by	Nil	Nil
50 bp decrease would Increase the profit before tax by	Nil	Nil

b) Market Risk- Foreign currency risk.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Company manages its foreign Currency risk, if required, by hedging transaction that are expected to occur within a maximum 12 month periods for hedge of forecasted sales and purchases in foreign currency.

The hedging is done, if required, through foreign currency forward contracts. In past year, the company has not much imports, but has exports which are more, hence foreign exchange exposure for exports proceeds due cover the liability of import dues, thus hedging was not required to cover foreign exchange exposure of the Company

Unhedged foreign currency exposure

Market Risk - Foreign Currency Risk:-

i) The following table shows foreign currency exposures in USD, EUR and GBP on financial instruments at the end of the reporting period.

Foreign Currency Exposure (Rs. In Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	USD	EUR	USD	EUR
Loans availed	-	-	-	-
Trade and Other Payables	-	-	-	-
Trade and OtherReceivables	189.70	218.87	64.39	70.07
Derivatives- Forwards	-	-	-	-
Net Exposure	189.70	218.87	64.39	70.07

ii) Sensitivity analysis of 5 % change in exchange rate at the end of reporting period

Foreign Currency Exposure (Rs. In Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	USD	EUR	USD	EUR
5% Depreciation in INR				
Impact on P&L	3.127	3.504	3.127	3.504
Total	**3.127**	**3.504**	**3.127**	**3.504**
5% Appreciation in INR				
Impact on P&L	(3.127)	(3.504)	(3.127)	(3.504)
Total	**(3.127)**	**(3.504)**	**(3.127)**	**(3.504)**

c) Equity Price Risk

Equity price risk is related to the change in market reference price of the investments in quoted equity securities. The fair value of some of the Company's investments exposes the company to equity price risks. At the reporting date, the company do not hold any equity securities. Investment in Mutual Funds are taken at fair value

d) Credit Risk

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Trade receivables consist of a large number of customers, spread across geographical areas. Outstanding customer receivables are regularly monitored.

The average credit period is in the range of 01 -90 days. However in select cases credit is extended which is backed by security deposit/bank guarantee/letter of credit and other forms. The Company's Trade receivables consist of a large number of customers, across geographies hence the Company is not exposed to concentration risk.

The Company has not provided for expected credit loss as it has used a practical expedient for computing the expected credit loss allowance for trade receivables based on historical credit loss experience, industry practices and the business environment in which the entity operates and adjusted to forward looking information. Further, the debts are examined and assessed party wise individually by respective department head and top management, for doubtful recovery, if any. As a final result of the above exercise it is determined that no allowance is required for Credit Loss as there is no bad debts in recent past.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

e) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital limits from bank. Furthermore, the Company access to funds from debt markets and also short term working capital loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. (Rs. In Lacs)

Particulars	Within 1 year	More than 1 year	Total
As on 31st March 2020			
Borrowings	707.84	66.75	774.59
Trade and other Payables	1724.51	—	1724.51
Other Financial Liabilities	203.18	—	203.18
As on 31st March 2019			
Borrowings	23.64	92.22	115.86
Trade and other Payables	1387.46	—	1387.46
Other Financial Liabilities	166.00	—	166.00

(3) Excise Duty and GST:

Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July, 2017, Excise Duty has been subsumed into GST. In accordance with IND AS. GST is not part of revenue unlike Excise Duty. Accordingly, from 01.07.2017 GST is not included in revenue and hence is Not added to turnover

(4) Current Tax: During the year the income tax provision is made for taxes payable for the year ended 31st March, 2020 based on Computation of Income as per provisions of the Income Tax Act, 1961.

The Company has opted for the option permitted U/s 115BAA of the Income Tax Act 1961 and hence has Provided for Taxation as per the reduced rate of tax specified therein and will continue to follow this policy as required under the said section 115BAA of the Income Tax Act,1961

Income Tax

The Major Components of Income Tax expense for the year ended 31st March, 2020 (Rs. In Lacs)

Particulars	For year ended 31st March, 2020 (Rs.)	For year ended 31st March, 2019 (Rs.)
Profit and Loss :	1,486.47	1,819.52
Current Tax	354.09	538.06
Tax of Prior year	47.04	–
Deferred Tax	(3.71)	(14.46)
Total Income Tax Expense	397.42	523.60

Reconciliation of tax expense and the accounting Profit multiplied by Domestic Tax Rate (Rs. In Lacs)

Particulars	For year ended 31st March, 2020 (Rs.)	For year ended 31st March, 2019 (Rs.)
Profit before Income Tax expenses	1,486.47	1,819.52
Taxes at the Indian Tax rate i.e. @ 25.6256 (P. Y. 29.12 %)	380.92	529.85
Items giving rise to difference in tax		
- Earlier Year's Tax / Credits / B/f Loss	47.04	—
- Timing Difference and Others	(39.11)	18.73
- Effect of Non-deductible items	10.97	(10.74)
- Tax on Other Capital Gain Incomes	1.30	0.23
- Deferred Tax Expenses/(Income)	(3.71)	(14.46)
Total Income Tax Expense	397.42	523.60

(5) In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of loans and advances, debtors and other current assets in the ordinary course of the business will not be less than the amount at which they are stated in Balance Sheet.

(6) Figures have been rounded off to the nearest rupees in lacs.

(7) Previous year Figures have been regrouped and rearranged wherever necessary to confirm to current years classification.

(8) Claims against the Company not acknowledged as debts Rs. NIL (previous year Rs. NIL).

(9) Estimated amount of contracts remaining to be executed on capital account and not provided Rs. NIL (Previous year Rs. NIL).

(10) Dues to Micro and Small Enterprises:

The Company has certain dues payable to suppliers registered under Micro, Medium and Small Enterprise Act, 2006 (MSMED ACT). The disclosures pursuant to the said MSMED ACT are as follows :

(Rs. In Lacs)

Sr. No.	Particulars	Amount(Rs) Current Year	Amount(Rs) Current Year
a.	Principal amount remaining unpaid to any suppliers as at 31st March	592.15	538.13
b.	Interest due thereon remaining unpaid to any suppliers as at 31st March	–	–
c.	The amount of interest paid by the Company in terms of section 16 of the MSMED Act, 2006	–	–
d.	The amount of the payment made to the supplier beyond the appointed day during each accounting year in terms of section 16 of the MSMED Act, 2006	–	–
e.	The amount of interest due and payable for the period of delay in making payments	–	–
f.	The amount of interest accrued and remaining unpaid as at 31st March	–	–
g.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	–	–

(11) Remuneration to Directors:-

The Company has paid remuneration to its Executive Directors, in accordance with the provision of Schedule V of the Companies Act, 2013 and as per the special resolution passed by the Company in the Annual general meeting which is within the limits specified therein.

(12) Payment to Auditors (excluding taxes) (Rs. In Lacs)

Particulars	Current Year	Previous Year
For Audit & Tax Audit Fees	2.46	3.34
For Other Matters	—	1.30
TOTAL Rs.	**2.46**	**4.64**

(13) Expenditure on CSR Activities (Rs. In Lacs)

Particulars	Current Year	Previous Year
Amount required to be Spent/ Provided	Rs. 22.93	Rs. 14.62
Amount Spent During the year on		
(a) Construction /Acquisition of an Asset	-	-
(b) For Purpose other than (a) above	Rs. 15.00	Rs. 14.62
Amount unspent at year end (*)	Rs. 7.93	Nil

(*) This amount of Rs. 7.93 lacs is spent before approval of Final Accounts

(14) In accordance with Ind AS – 24 – "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the transactions with related parties are given below.

SR. NO.	NAME OF PARTY	NATURE OF RELATION	NATURE OF TRANSACTION	VALUE (Rs. In lacs)	
				Current Year	Previous Year
1	Ajay N. Desai	Executive Director	Director's Remuneration	150.00	150.00
2	Ajay N. Parikh	Executive Director	Director's Remuneration	150.00	150.00
3	Tranzmute Capital & Management Pvt. Ltd.	One of the Director is Director in said company	Professional Fees	--	20.00
4	Morphis Business Advisory LLP	One of the Director is Partner in said LLP	Professional Fees	42.00	22.00
5	Directors	KMP	Sitting Fees	5.80	1.50

(15) Event occurring after Balance Sheet Date: COVID – 19 :

The Manufacturing facilities of the Company at Nupura, Gujarat were closed on 23rd March, 2020 following countrywide lockdown due to COVID 19. The Company has obtained the required clearance from the authorities and as per guideline of government, the Plant was restarted partly from 24.04.2020 and fully functional from 01.05.2020. Based on immediate assessment of the impact of COVID 19 on the operations of the Company and ongoing discussions with Customers, vendors, and service providers, the Company is Positive of serving the Customer Orders and obtaining regular supply of raw materials, components and services after resumption of the Operations. In assessing the recoverability of Trade receivables, the Company has considered the Subsequent recoveries past trends, credit risk profile of Customer based on their industry, macro-economic forecasts and internal and external information available upto the date of issuance of this results. In assessing the recoverability of inventories, the Company has considered the latest selling price, Customer Orders on hand and margins. Based on the above assessment, the Company is of the view that the Carrying amount of Trade Receivables and Inventories are expected to be realizable.

The impact of COVID 19 may be different from the estimated as at the date of approval to the accounts. The Company has lost he sale / production during lockdown other than that there is no material impact. However, the Company has paid full staff salary during Lockdown period. The Company will continue to closely monitor the further developments

(16) In accordance with Ind AS-108 – there are no separate segments. However, Operating segments are reported in a manner consistent with the internal reporting provided by the management who are assessing performance of the operating segments of the Company.

The Company has integrated it's organization structure with respect to it's Machinery and Equipment" manufacturing business and all products being similar there are no predominantly distinct segments and hence Company's reportable business segment consists of a single segment "Machinery and Equipment in terms of Ind AS-108. The management has disclosed the growth in Export and domestic segment as under.

Information of Geographies	VALUE (Rs. In lacs)	
	Current Year	Previous Year
Revenue from Operations		
-Within India	7,958.78	9,061.21
-Outside India	2,006.51	2,013.87
Total	**9,965.29**	**11,075.08**
Non – Current Assets		
- Receivables Within India	894.35	1,808.04
- Receivable Outside India	408.57	134.46
Total	**1302.92**	**1942.50**

In Accordance with our Report of even date

For VCA & ASSOCIATES
Chartered Accountants
Firm number: 114414W

(CA ASHOK THAKKAR)
Partner/M.No. 048169

Date: 26.06.2020

For and on behalf of the Board

(AJAY DESAI) **Executive Director**
(AJAY PARIKH) **Executive Director**
(PRERNA BOKIL) **Company Secretary**
(RAJENDRA BHAVSAR) **Chief Financial Officer**

Date: 26.06.2020

AXTEL INDUSTRIES LIMITED

Vadodara-Halol Highway, Baska,
Panchmahal-389350, Gujarat

Tel : +91 2676 247900
Fax : +91 2676 247125

www.axtelindia.com
E-mail: info@axtelindia.com