

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: 15-06-2023

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

Ref: **Scrip Code: 523850**

Subject: Annual Report – 2022-23

Sir,

We submit annual report for the financial year 2022-23 as required under regulation 34(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annual General Meeting of our Company will be held on Monday, 10th July, 2023 at 11.00 a.m. through VC /OVAM.

Thanking you,

Yours faithfully

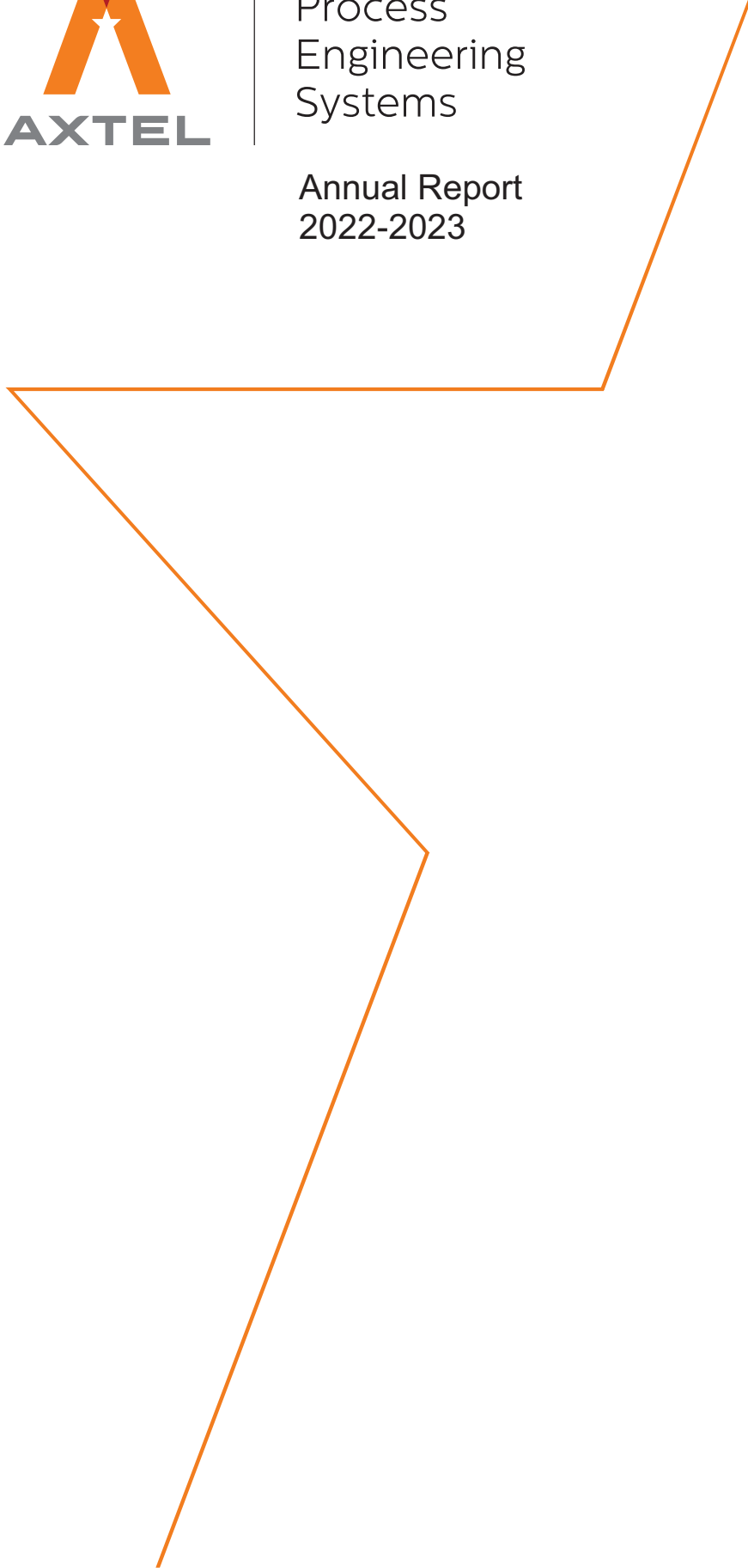
FOR AXTEL INDUSTRIES LIMITED

PRERNA SUDEEP BOKIL
Company Secretary & Compliance Officer



Process
Engineering
Systems

Annual Report
2022-2023



AXTEL INDUSTRIES LIMITED

31th ANNUAL REPORT 2022-2023

BOARD OF DIRECTORS	:	1. Mr. Ajay Naishad Desai, Executive Director 2. Mr. Ajay Nalin Parikh, Executive Director 3. Mr. Ajit Singh Bubber, Non-Executive Director 4. Mr. Ameet Nalin Parikh, Non-Executive Director 5. Mr. Sandeep Lalwani, Independent Director 6. Mr. Nimish Patel, Independent Director 7. Ms. Deepti Sharma, Independent Director
COMPANY SECRETARY	:	CS Prerna Sudeep Bokil
CHIEF FINANCIAL OFFICER	:	Mr. Rajendra K. Bhavsar
AUDITORS	:	VRCA & 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 31st Annual General Meeting of the members of Axtel Industries Limited will be held at 11.00 a.m. on Monday, 10th July, 2023 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 on 31st March, 2023 and the reports of the Board of Directors and the Auditors thereon.
2. To re-appoint Mr. Ajitsingh Mohansingh Bubber (DIN 00454111), as Director who retires by rotation and being eligible offers himself for re-appointment.
3. To declare dividend for the financial year ended on 31st March, 2023.

SPECIAL BUSINESS :

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

RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Mr. Nimish Patel (DIN: 00029353), whose first term of five years as an independent director shall expire on 4th November, 2023 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of independent director, be and is hereby re-appointed as Independent Director of the Company to hold office for five consecutive years from 5th November, 2023 to 4th November, 2028.

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

RESOLVED THAT pursuant to the provisions of section 149, 150, 152 and any other provisions applicable, if any, of the Companies Act, 2013 and the rules made thereunder read with schedule IV of the Companies Act, 2013, Ms. Deepti Sharma (DIN: 03630613), whose first term of five years as an independent director shall expire on 4th November, 2023 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of independent director, be and is hereby re-appointed as Independent Director of the Company to hold office for five consecutive years from 5th November, 2023 to 4th November, 2028.

6. To consider and if thought fit, to pass the following resolutions as special resolution:

RESOLVED that pursuant to section 197, 198, 200 and other provisions applicable, if any and schedule V of the Companies Act, 2013 and rules made thereunder, consent of the members of the Company be and is hereby accorded to fix remuneration of Mr. Ajay Naishad Desai, (DIN: 00452821), Whole-time Director of the Company with effect from the 1st August, 2023 within the limits prescribed hereunder from time to time:

[i] Salary:

Not exceeding Rs. 20,00,000 (Rupees Twenty 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. 2,40,00,000 (Rupees Two Crore Forty 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 Mr. Ajay Naishad Desai as Whole-time 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 August, 2023 to 31st July, 2026.

7. To consider and if thought fit, to pass the following resolutions as special resolutions:

RESOLVED that pursuant to section 197, 198, 200 and other provisions applicable, if any and schedule V of the Companies Act, 2013 and rules made thereunder, consent of the members of the Company be and is hereby accorded to fix remuneration of Mr. Ajay Nalin Parikh (DIN: 00453711), Whole-time Director of the Company with effect from the 1st August, 2023 within the limits prescribed hereunder from time to time:

[i] Salary:

Not exceeding Rs. 20,00,000 (Rupees Twenty 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. 2,40,00,000 (Rupees Two Crore Forty 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 Mr. Ajay Nalin Parikh (DIN: 00453711), Whole-time Director of 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 August, 2023 to 31st July, 2026.

8. To consider and if thought fit, to pass the following resolutions as special resolutions:

RESOLVED THAT pursuant to section 180(1)(c) and other provisions applicable, if any, of the Companies Act, 2013, consent of the members of the company be and is hereby accorded to the Board of Directors of the Company to borrow the money from banks, financial institutions, other companies / persons as may be required from time to time on such terms and conditions as may be considered suitable by the Board of Directors, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital, free reserves of the Company, or Rs. 150,00,00,000/- (Rupees One Hundred Fifty Crores only), whichever is higher.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

9. To consider and if thought fit, to pass the following resolutions as special resolutions:

RESOLVED THAT pursuant to section 180(a) and other provisions applicable, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and / or charge all the immovable and movable properties where so ever situate, present and future of the Company as security with the bank, financial institutions, other companies as may be required to avail loans, various fund base and / or non-fund base credit facilities from time to time not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crore only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

10. To consider and if thought fit, to pass the following resolution as special Resolutions:

RESOLVED THAT pursuant to the provisions of Sections 197 & 198, and other applicable provisions of the Companies Act, 2013 read with Schedule V and the Rules made thereunder, consent of the members of the company be and is hereby accorded to the Board of the Directors of the Company to determine & pay, collectively to all the Non-Executive Directors, or non-executive directors to be appointed in future (including Independent Directors), of the Company (i.e Directors other than Managing Director and / or Whole-time Director), the remuneration by way of fees or commission or otherwise, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may determine from time to time, not exceeding of one percent of the Net Profits of the Company per annum as computed in the manner laid down in Section 198 of the Companies Act, 2013 for the financial year 2023-24 and thereafter.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

11. 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) per annum and reimbursement of out-of-pocket expenses, which may be incurred by M/s K. H. Shah & Co., Cost Accountants in Practice, who has been appointed by the Board of Directors on the recommendation of Audit Committee, as the Cost Auditor of the Company for the financial year 2023-24, be and is hereby ratified.

By the Order of the Board of Directors

Date: 29/05/2023
Registered Office :
Vadodara-Halol Highway
Baska, Panchmahal-389350
Gujarat

Ajay Nalin Parikh
Executive Director
DIN: 00453711

NOTES:

- 1) In view of the continuing outbreak of COVID-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 10/2022 dated December 28, 2022 read with circulars dated May 5, 2022, January 31, 2021, May 5, 2020, April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") & SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") for further extending the period of holding AGM through VC 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 and SEBI Circulars issued from time to time, the AGM of the Company is being held through VC / OAVM.

- 2) The relevant details, pursuant to Regulations 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 Tuesday, the 4th July, 2023 to Monday, 10th July, 2023 [both days inclusive]. Members may join the 31st 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 31st AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 31st 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 ("LIPL") 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 LIPL 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 LIPL 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 LIPL 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 dated December 28, 2022 and SEBI Circular dated January 5, 2023 read with circular issued by MCA dated May 5, 2022, January 13, 2021 and May 12, 2020 and SEBI Circular dated May 13, 2022 read with Circular dated January 15, 2021, notice of the AGM along with the Annual Report 2022-23 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 2022-23 will also be available on the Company's website www.axtelindia.com.
- 13) In terms of Section 152 of the Companies Act, 2013, Mr. Ajitsingh Mohansingh Bubber (DIN 00454111), 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 (LIPL) for all the members of the Company to enable them to cast their votes electronically.
- 15) 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.
- 16) 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 3rd July, 2023. A person, whose name is recorded in the register of members by the depositories as on the cut-off date, i.e. Monday, 3rd July, 2023 only, shall be entitled to avail the facility of e-voting / Poll.
- 17) 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.
- 18) DIVIDEND: The dividend, as recommended by the Board of Directors, if approved at the AGM, would be paid subject to deduction of tax at source, as may be applicable, after 10th July, 2023, to those persons or their mandates:
 - a) whose names appear as Beneficial Owners as at the end of the business hours on Monday, 3rd July, 2023 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and b) whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Monday, 3rd July, 2023 after giving effect to valid request(s) received for transmission/ transposition of shares.
- 19) DIVIDEND THROUGH ELECTRONIC MODE: SEBI has made it mandatory for listed companies to make all payments to investors including dividend to Members, by using any RBI approved electronic mode of payment viz. Electronic Clearing Service / Direct Credit / Real Time Gross Settlement / National Electronic Fund Transfer etc. Members are, therefore, requested to add / update their bank account details as under:
 - a) In case of holding of shares in demat form, update your bank account details with your Depository Participant(s) (DP) immediately.
 - b) In case of physical shareholding, submit bank details such as name of the bank, branch details, bank account number, MICR code, IFSC code etc to the Link In time India Private Limited, Registrar & Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021 (SEBI Circular). This will facilitate the remittance of the dividend amount, as and when declared by the Company, in the Bank Account electronically. In case, the Company is unable to pay the dividend to any Member by electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant / demand draft / cheque to such members by post / speed post/ registered post/ courier.
- 20) TDS ON DIVIDEND: Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.
- 21) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting.
- 22) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this notice.
- 20) Explanatory statement setting out all material facts concerning the special business u/s 102 of the Companies Act, 2013 is annexed hereto.

Explanatory statement in respect of the special business u/s Section 102 of the Companies Act, 2013, Regulation 36 of SEBI (LODR) Regulations, 2015 & Secretarial Standard 2 issued by ICSI

Item No. 4

Mr. Nimish Patel was appointed as an Additional Non-Executive Independent Director of the Company with effect from 5th November, 2018 at the meeting of the Board of Directors of the Company held on 5th November, 2018 and regularized at the annual general meeting held on 25th September, 2019. He is a member of Audit Committee, and Nomination & Remuneration Committee of the Company.

He is B.S (Finance) from Bentley College, USA. He worked for Kiewit Construction Co. in Boston and New York after graduation. He was Director of Patel Engineering Limited, Mumbai for a period of 18 years.

Mr. Nimish Patel, whose first term of five years as independent director shall expire on 4th November, 2023. Your Company has received a notice in writing from a member proposing his candidature for the office of an independent director and Mr. Nimish Patel being eligible for re-appointment, is proposed to be re-appointed as an Independent Director of the Company Pursuant to section 149 and any other applicable provisions of the Companies Act, 2013 for a term of five consecutive years up to 4th November, 2028.

In the opinion of the Board, Mr. Nimish Patel fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his re-appointment as an Independent Director of the Company and he is independent of the management. A copy of the letter for appointment of Mr. Nimish Patel as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to re-appoint him for second term as Independent Director of your company.

Your Board recommends his re-appointment as Independent Director of your Company.

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

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

The disclosures required under Secretarial Standard No. 2 & Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed at the end of explanatory statement, covering all disclosures required to be made.

Item No. 5

Mrs. Deepti Sharma was appointed as an Additional Non-Executive Independent Director of the Company with effect from 5th November, 2018 at the meeting of the Board of Directors of the Company held on 5th November, 2018 and regularized at the annual general meeting held on 25th September, 2019. She is a member of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

Mrs. Deepti Sharma is a graduate in Science (B.Sc.), Physics, Chemistry, Mathematics, from University of Ajmer, post graduate degree in Management (M.B.A.), Major -Finance, Minor - International Marketing, from FMS, Mohanlal Sukhadia University, Udaipur, passed financial advisor module test conducted by NSE for mutual funds (AMFI recognized), Certificate course in " Private Equity and Capital Market Financing " from IIM Bangalore. She has vast experience in project management, financial management, risk management implementing policies for cost control, merger and acquisitions, corporate governance. She is associated with M.S. University, Vadodara as external faculty for B.B.A and P.G.D.B.M. since 1998, examination panelist with M.S. University, Vadodara for Management Studies, Post Graduate Department, a member of Board of Studies, Post graduate courses, M S University, visiting faculty at PDP, Management Department, Gandhinagar, visiting faculty at BJVM college, Vidyanagar for Graduate, Post Graduate and M Phil courses and a member jury, Federation of Gujarat Industries for various MSME awards.

Mrs. Deepti Sharma, whose first term of five years as an independent director shall expire on 4th November, 2023. Your Company has received a notice in writing from a member proposing his candidature for the office of an independent director and Mrs. Deepti Sharma being eligible for re-appointment, is proposed to be re-appointed as an Independent Director of the Company pursuant to section 149 and any other applicable provisions of the Companies Act, 2013 for a term of five consecutive years up to 4th November, 2028.

In the opinion of the Board, Mrs. Deepti Sharma fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for her re-appointment as an Independent Director of the Company and she is independent of the management. A copy of the letter for appointment of Mrs. Deepti Sharma as an independent director setting out the terms and conditions would be available for inspection by members at the registered office of the company during normal business hours on any working day excluding Saturday and Sunday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to re-appoint Her for second term as Independent Director of your company.

Your Board recommends her re-appointment as Independent Director of your Company.

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

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

The disclosures required under Secretarial Standard No. 2 & Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed at the end of explanatory statement, covering all disclosures required to be made.

Item No. 6

Mr. Ajay Naishad Desai was re-appointed as Whole-time Director of the Company for a period of five years w.e.f. 1st March, 2022 as per special resolutions passed by the members of the Company at the annual general meeting of the Company held on 15th September, 2021.

He is looking after the marketing and administration department of the Company. He is paid remuneration of Rs. 15,00,000 per month with effect from 1st April, 2023 as approved by the Board of Directors at their meeting held on 18th May, 2023 and as per special resolution passed at the annual general meeting of the members of the Company held on 15th September, 2021. Looking to the responsibilities shouldered by Mr. Ajay Naishad Desai, nomination and remuneration committee of the Company has recommended to take approval of members to increase his remuneration to Rs. 20,00,000 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 & commencement of commercial production: 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. 1730.28 lacs for the year ended 31st March, 2023. The Company has made export of Rs. 2050.93 lacs during the year ended 31st March, 2023.

3. Foreign investments or collaborations, if any: NA

II. Information about Mr. Ajay Naishad Desai:

1. Back Ground Details: He is a 1st Class graduate in Electrical Engineering. He possesses over 40 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. 15,00,000/- per month with effect from 1st April, 2023 as approved by the Board of Directors at their meeting held on 18th May, 2023 and as per limit sanctioned by passing special resolutions at the annual general meeting held on 15th September, 2021.

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 40 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. Limited, 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. Mr. Ajay 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. Mr. Ajay 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. Limited 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 Limited 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, Glaxo Smith Kline, 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.

5. Remuneration proposed: Not exceeding Rs.20,00,000/- (Rupees Twenty Lacs only) per month.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The remuneration is proposed to be paid is purely based on merit. Nomination and remuneration committee before recommending remuneration, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks, profile

and responsibilities by 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: Mr. 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: The Company is earning profits which may be deemed inadequate for purpose of limits of managerial remuneration.

2. Steps taken or proposed to be taken for improvement: The Company is always looking forward to take steps and measures and also 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. The company shall make all possible efforts to improve margins and measures such as expansion, diversification, restructuring which can be best in interest of the company.

3. Expected increase in productivity and profits in measurable terms: The Company is constantly concerned about improvement in productivity and take constant measures to improve. However, it is not measurable in terms to predict profits of the company.

4. Disclosures:

Other disclosures have been mentioned under head 'Remuneration of Directors' of Corporate Governance, mentioned as Annexure G of Board of Directors' report.

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

No Director, Key Managerial Personnel or their relatives, except Mr. 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 Mr. Ajay Naishad Desai as Executive Director.

DETAILS OF DIRECTORS AS PER SECRETARIAL STANDARDS 2 ON GENERAL MEETING ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of the Director	Mr. AJAY NAISHAD DESAI
DIN	00452821
Date of Birth	09/09/1958
Age	65 Years
Date of Appointment/ Reappointment	28/08/1991 - Appointment 01/03/2022 - Last re-appointment
Terms of appointment	Appointed as Whole-time Director of the Company with effect from 01/03/2022 for a period of five years on remuneration of Rs. 15 lacs per month.
Details of last remuneration	Rs. 15.00 lacs per month with effect from 1st April, 2023
Details of sought to be paid	Rs. 20.00 lacs per month with effect from 1st August, 2023
Areas of Specialization	Engineering, marketing and administration
Qualifications	B.E.
No. of Shares Held in the Company	9,21,935
List of Directorship held in other Companies	1. Mannk Foods (India) Private Limited
Chairman/member of the Committee of the Board of Directors of this Company	1. Vigil Mechanism Committee 2. Stakeholders Committee
Chairman/member of the Committee of the Board of Directors of other Companies	NA
Relation with Key Managerial Personnel and Directors	NA

Item No. 7

Mr. Ajay Nalin Parikh was re-appointed as Whole-time 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.

Further, prior approval for his re-appointment is accorded from the shareholders at the annual general meeting of the Company held on 29th September, 2022 for a period of five years with effect from 1st August, 2023.

He is looking after the designing and engineering department of the Company. He is paid remuneration of Rs. 15,00,000 per month with effect from 1st April, 2023 as per special resolution passed at the annual general meeting of the members of the Company held on 29th September, 2022. Looking to the responsibilities shouldered by Mr. Ajay Nalin Parikh, nomination and remuneration committee of the Company has recommended to take approval of members to increase his remuneration to Rs. 20,00,000 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 & commencement of commercial production: 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. 1730.28 lacs for the year ended 31st March, 2023. The Company has made export of Rs. 2050.93 lacs during the year ended 31st March, 2023.

3. Foreign investments or collaborations, if any: NA

II. Information about Mr. Ajay Nalin Parikh:

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 40 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. 15,00,000/- per month with effect from 1st April, 2023 as approved by the Board of Directors at their meeting held on 18th May, 2023 and as per limit sanctioned by passing special resolutions at the annual general meeting held on 25th September, 2020.

3. Recognition or awards : Nil

4. Job profile and his suitability:

Mr. 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 40 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, Mr. 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 Mr. Ajay Nalin Parikh, has over the last 28 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. 20,00,000 per month with effect from 1st August, 2023 till 31st July, 2026.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration is proposed to be paid is purely based on merit. Nomination and remuneration committee before recommending remuneration, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks, profile and responsibilities by 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: Mr. 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: The Company is earning profits which may be deemed inadequate for purpose of limits of managerial remuneration.

2. Steps taken or proposed to be taken for improvement: The Company is always looking forward to take steps and measures and also 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. The company shall make all possible efforts to improve margins and measures such as expansion, diversification, restructuring which can be best in interest of the company.

3. Expected increase in productivity and profits in measurable terms: The Company is constantly concerned about improvement in productivity and take constant measures to improve. However, it is not measurable in terms to predict profits of the company.

IV. Disclosures:

Other disclosures have been mentioned under head 'Remuneration of Directors' of Corporate Governance, mentioned as Annexure G of Board of Directors' report.

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

No Director, Key Managerial Personnel or their relatives, except Mr. Ajay Nalin Parikh for drawing his remuneration and Mr. Ameet Nalin Parikh, Director being a relative of Mr. Ajay Nalin Parikh are 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 Mr. Ajay Nalin Parikh as Executive Director.

DETAILS OF DIRECTORS AS PER SECRETARIAL STANDARDS 2 ON GENERAL MEETING ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of the Director	MR. AJAY NALIN PARIKH
DIN	00453711
Date of Birth	02/04/1957
Age	66 Years
Date of Appointment/ Reappointment	28/08/1991 - Appointment 01/08/2018 - Last re-appointment
Terms of appointment	Appointed as Whole-time Director of the Company with effect from 01/08/2023 for a period of five years on remuneration of Rs. 15 lacs per month.
Details of last remuneration	Rs. 15.00 lacs per month with effect from 1st April, 2023
Details of sought to be paid	Rs. 20.00 lacs per month with effect from 1st August, 2023
Areas of Specialization	Engineering, designing and administration
Qualifications	B.E.
No. of Shares Held in the Company	4,66,044
List of Directorship held in other Companies	NA
Chairman/member of the Committee of the Board of Directors of this Company	1. Member - Stakeholders Committee 2. Member - CSR Committee 3. Member - Risk Management Committee
Chairman/member of the Committee of the Board of Directors of other Companies	NA
Relation with Key Managerial Personnel and Directors	Brother of Mr. Ameet Nalin Parikh, Director

Item No. 8

As per section 180(c) of the Companies Act, 2013 the Company can not borrow moneys in excess of its paid up capital and free reserves apart from temporary loans obtained from the company's banker in the ordinary course of business except with the consent of the members of the Company in general meeting by special resolution. Your Company intends to expand its business and will require more fund by way of loan from the bank, financial institutions, other companies/ persons and therefore your Company intends to take approval by means of special resolution passed at the general meeting.

Your Board recommends the above special resolution.

No Directors and any key managerial persons are directly or indirectly interested or concerned in the above resolutions.

Item No. 9

Your Company requires to mortgage/ charge its immovable and movable properties as security to avail various credit facilities from the bank, financial institutions, other companies/ persons from time to time. As per section 180(a) of the Companies Act, 2013 the Company cannot mortgage/ charge its immovable and movable properties except with the consent of the members of the Company in general meeting by special resolution.

Your Board recommends the above special resolution.

No Directors and any key managerial persons are directly or indirectly interested or concerned in the above resolutions.

Item No. 10

Your company intends to pay remuneration by way of fees, commission or otherwise apart from sitting fees to the non-executive directors of the Company including independent directors. In view of Section 197 & 198 of the Companies Act, 2013, Regulation 17(6) of SEBI (LODR) Regulations, 2015 and taking into account the roles and responsibilities of the directors, it is proposed to pay remuneration by way of fees or commission, to all non-executive directors, collectively, at a sum not exceeding one percent per annum of the net profits of the Company as prescribed under Section 197 of the Companies Act, 2013 from the financial year 2023-24 and thereafter. The above, shall be in addition to the sitting fees payable to the non-executive directors. The quantum of remuneration payable to each non-executive director shall be fixed and decided by the Board of Directors after considering the recommendations of the Nomination & Remuneration Committee.

Your Board recommends the above special resolution.

Non-Executive Directors and their relatives may be deemed to be concerned or interested in this resolution to the extent of remuneration that may be received by them. No other directors or KMP or their relatives are in any way, concerned, interested in the above resolution.

Item No. 11

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 2023-24 and also recommended their remuneration of Rs. 60,000/- per annum 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 for 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 2023-24.

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

Your Board recommends the above resolution as an ordinary resolution.

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: 29/05/2023
Registered Office :
Vadodara-Halol Highway
Baska, Panchmahal-389350
Gujarat

Ajay Nalin Parikh
Executive Director
DIN: 00453711

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS PER REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS 2 ON GENERAL MEETING ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA

Name of the Director	Mr. Ajitsingh Mohansingh Bubber	Mr. Nimish Patel	Mrs. Deepti Sharma
DIN No.	00454111	00029353	03630613
Date of Birth & Age	16/06/1962 & 61 years	28/02/1970 & 53 years	13/10/1967 & 56 years
Type of appointment	Director retiring by rotation	Re-appointment for second term	Re-appointment for second term
Date of Appointment/ Reappointment	01/04/1995 (Date of Appointment)	05/11/2018 appointed as additional director and regularized on 25/09/2019	05/11/2018 appointed as additional director and regularized on 25/09/2019
Terms and conditions of earlier appointment, if any	Appointed as Non-Executive Director of the Company and is being paid sitting fees for attending board meetings.	Appointed as Non-Executive Independent Director of the Company and is being paid sitting fees for attending board and committee meetings.	Appointed as Non-Executive Independent Director of the Company and is being paid sitting fees for attending board and committee meetings.
Areas of Specialization	Business	Business	Project management, financial management, risk management
Qualifications	S.Y.B.A.	B.S (finance) from Bentley College, USA	Graduate in Science (B.Sc.), post graduate degree in management, financial advisor module test conducted by NSE for mutual funds, Certificate course in "Private Equity and Capital Market Financing" from IIM Bangalore.
Experience	Having experience of more than 25 years in business	Having experience of more than 20 years in finance & strategy management	Having experience of more than 20 years in field of project management, risk management & financial management
No. of Shares Held in the Company	NIL	NIL	NIL
List of Directorship held in other Companies	Details attached separately	Details attached separately	Details attached separately
Chairman/member of the Committee of the Board of Directors of this Company	NA	1. Member- Audit Committee 2. Member & Chairman- Nomination & Remuneration committee	1. Member- Audit Committee 2. Member- Nomination & Remuneration committee 3. Member & Chairperson- Stakeholders Relationship Committee
Chairman/member of the Committee of the Board of Directors of other Companies	Attached separately	Attached separately	Attached separately
Relation with Key Managerial Personnel and Directors	No relationship between the directors inter-se	No relationship between the directors inter-se	No relationship between the directors inter-se
Justification for appointment	Knowledge in business	Excellent knowledge in business	Excellent knowledge in project management, financial management, risk management
Skills and capabilities required from Director as per matrix of skills / capabilities / competencies of Director by the Board	Business management	Finance, business and administration	Financial management, risk management, Internal control management
Performance evaluation Summary	Director has obtained 'Good' ratings from board of directors and his performance is evaluated on the basis of his engagement into finance management & business experience and his re-appointment will be helpful for making proper business management of the Company.	Director has obtained 'Good' ratings from board of directors and his performance is evaluated on the basis of his engagement into finance management and strategic management and his re-appointment will be helpful for making proper finance & strategic decisions of the Company.	Director has obtained 'Good' ratings from board of directors and her performance is evaluated pursuant to her engagement into company by helping to maintain good corporate governance, proper internal control management and her re-appointment shall be helpful to the Company for good corporate governance and growth of the Company.

By Order of the Board of Directors

Date: 29.05.2023

Registered Office:

Vadodara-Halol Highway,

Baska, Panchmahal-389350, Gujarat

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

Ajay Nalin Parikh

Executive Director

DIN: 00453711

List of Directorships held in other Companies:

Mr. Ajitsingh Mohansingh Bubber

Sr. No	Name of the Company	CIN	Designation
1.	PUNJAB STEEL ROLLING MILLS (BARODA) PRIVATE LIMITED	U27100GJ1984PTC006852	Director
2.	WINDWALKER ADVISORS & AGENTS PRIVATE LIMITED	U74140MH2012PTC234238	Director

Ms. Deepti Sharma

Sr. No	Name of the Company/ LLP	CIN/ LLPIN	Designation
1.	FINNCARE INDIA CONSULTING LLP	AAX-1609	Designated Partner
2.	CONART ENGINEERS LIMITED	L45200MH1973PLC017072	Director
3.	BANCO ALUMINIUM LIMITED	U27310GJ1967PLC001483	Director
4.	PATEL INFRASTRUCTURE LIMITED	U45201GJ2004PLC043955	Director
5.	DHOLERA INDUSTRIAL CITY DEVELOPMENT LIMITED	U45209GJ2016SGC085839	Director

Mr. Nimish Patel

Sr. No	Name of the Company/ LLP	CIN/ LLPIN	Designation
1.	PATEL URJAA VYAPAAR PRIVATE LIMITED	U40300UP2012PTC051203	Director
2.	BAYVIEW DEVELOPMENTS PRIVATE LIMITED	U45201MH2006PTC162701	Director
3.	EVERSHINE COATE'S PRIVATE LIMITED	U24220MH2004PTC144602	Additional Director
4.	NIYANTRA TECHNOLOGIES PRIVATE LIMITED	U72300MH2013PTC250216	Director
5.	NER ENGINEERING LLP	AAG-4891	Designated Partner
6.	NER SOLUTIONS LLP	AAM-0404	Designated Partner
7.	INFRAPRO SOLUTIONS LLP	AAX-2255	Designated Partner

Membership / Chairmanship held in other companies

Mr. Ajitsingh Mohansingh Bubber

Sr. No	Name of the Company	Name of Committee	Member / Chairperson
1	NA	NA	NA

Ms. Deepti Sharma

Sr. No	Name of the Company	Name of Committee	Member / Chairperson
1	BANCO ALUMINIUM LIMITED	Audit Committee	Member
	BANCO ALUMINIUM LIMITED	CSR Committee	Member
	BANCO ALUMINIUM LIMITED	Nomination & Remuneration Committee	Chairperson
2	CONART ENGINEERS LIMITED	Audit Committee	Chairperson
	CONART ENGINEERS LIMITED	Stakeholder Committee	Member
	CONART ENGINEERS LIMITED	Nomination & Remuneration Committee	Member
3	DHOLERA INDUSTRIAL CITY DEVELOPMENT LIMITED	Audit Committee	Chairperson

AXTEL INDUSTRIES LIMITED

	DHOLERA INDUSTRIAL CITY DEVELOPMENT LIMITED	CSR Committee	Member
	DHOLERA INDUSTRIAL CITY DEVELOPMENT LIMITED	Nomination & Remuneration Committee	Member
4	PATEL INFRASTRUCTURE LIMITED	Audit Committee	Chairperson
	PATEL INFRASTRUCTURE LIMITED	CSR Committee	Member
	PATEL INFRASTRUCTURE LIMITED	Stakeholder Committee	Member

Mr. Nimish Patel

Sr. No	Name of the Company	Name of Committee	Member / Chairperson
1	NA	NA	NA

By Order of the Board of Directors

Date: 29.05.2023

Registered Office:

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

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

Ajay Nalin Parikh
Executive Director
DIN: 00453711

VOTING THROUGH ELECTRONIC MEANS

The instructions for e-voting are attached herewith:

- 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 NSDL, 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 7th July, 2023 and end e-voting at 5.00 p.m. (IST) on 9th July, 2023. 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 3rd July, 2023, may cast their vote electronically.
- iii) 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.
- iv) 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) The details of the process and manner for remote e-voting are explained herein below:

✓ **" How to Log-in to e-Voting website of Link Intime India Private Limited (LIPL) for remote e-voting:**

Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL
 1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
 2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
 1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
 2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
 3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID:

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

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders 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 holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

**Shareholders holding shares in NSDL form, shall provide '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).
3. Click on 'Login' under 'SHARE HOLDER' tab.
 4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. 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).
4. 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.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL 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.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 - 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> • Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> • Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'

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

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- 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 this 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".

InstaMeet Support Desk

Link Intime India Private Limited

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

Process and manner for attending the Annual General Meeting through InstaMeet:

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 5 days in advance with the company on the specific email id i.e investors@axtelindia.com created for the general meeting.
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 panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist 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.

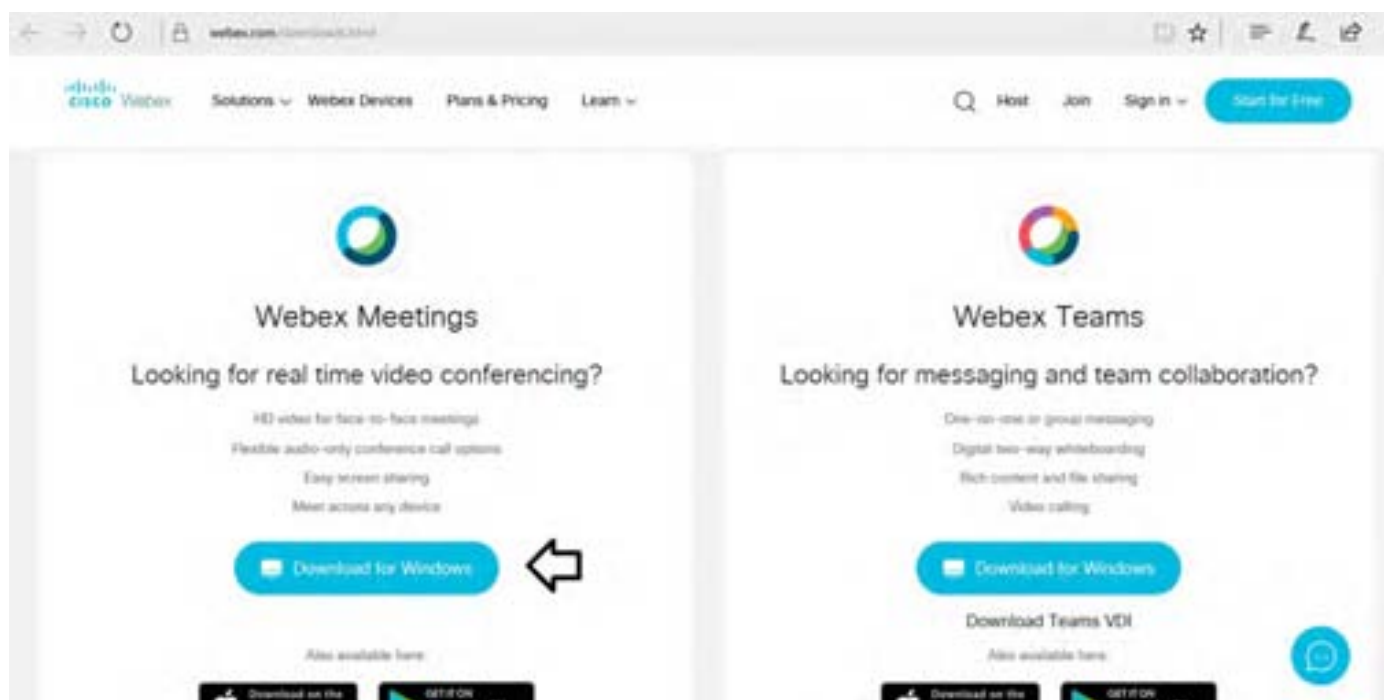
InstaMeet Support Desk
Link Intime India Private Limited

Annexure

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/>



Step 1
Double-click the webexapp.msi file you downloaded

Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.

Step 3
Once installed the app will launch automatically.

To open the app double-click the Webex Meetings icon on your desktop.

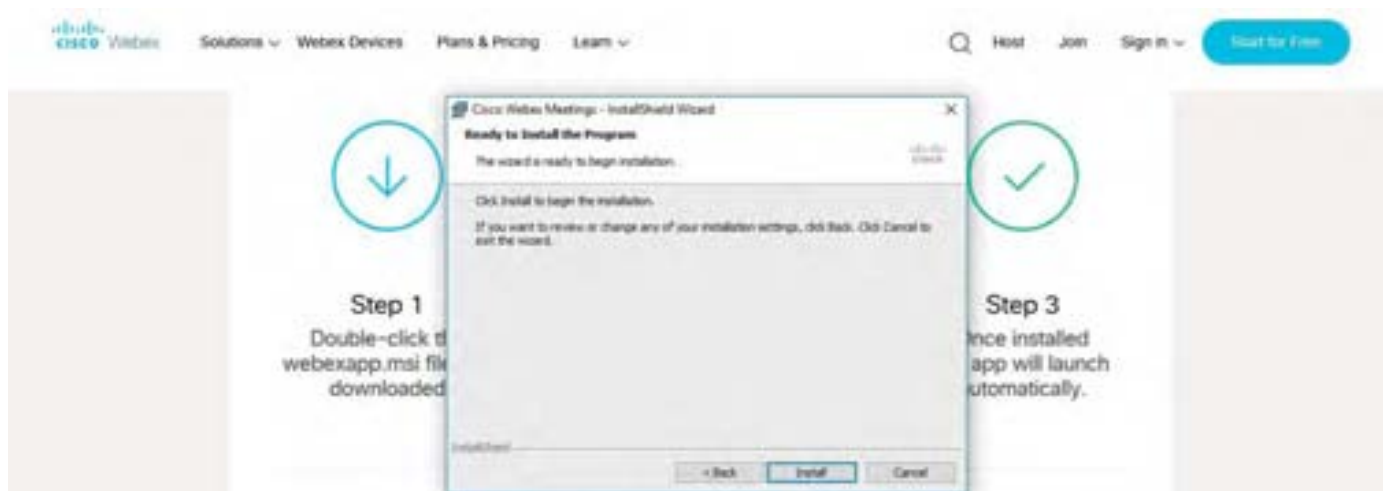
Step 1
Double-click the webexapp.msi file downloaded

Step 3
Once installed app will launch automatically.

To open the app double-click the Webex Meetings icon on your

Step 1
Double-click the webexapp.msi file downloaded

Step 3
Once installed app will launch automatically.



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



Important other instructions:

1. The remote e-voting process will be available from 9.00 a.m. (IST) on 7th July, 2023 and end e-voting at 5.00 p.m. (IST) on 9th July, 2023.
2. 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.
3. 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.

BOARD'S REPORT

To,
The Members,

Your Directors have pleasure in presenting their 31st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2023.

1. Financial summary

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

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Sales and other Income	18382.05	14712.38
Profit before depreciation, amortization and exceptional items	2536.84	2363.57
Less: Depreciation and amortization	241.20	284.46
Less: Exceptional items	0.00	196.87
Profit before tax	2295.64	1882.24
Less: Provision for tax	556.79	508.69
Provision for deferred tax	8.57	(9.73)
Profit after taxation	1730.28	1383.28

2. Dividend

Your Board had declared final dividend @ Rs. 2 (Rupee Two Only) per equity share (i.e. 20%) of Rs.10 for the financial year 2021-22 as per recommendation of the Board of Directors at the annual general meeting of the Company held on 29th September, 2022.

The Board recommends dividend @ Rs. 3 (Rupee Three Only) per equity share (i.e. 30%) of Rs. 10 for the financial year 2022-23 as final dividend for the financial year 2022-23.

As stipulated in Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has adopted dividend distribution policy and the same can be viewed at https://axtelindia.com/userfiles/corporate_governance/document/1629293145.pdf

3. Reserves

Your Board does not propose to carry to any reserves for the financial year 2022-23.

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

Total turnover during the year 2022-23 was Rs. 18014.57 lacs compared to Rs. 14398.55 lacs of previous year 2021-22 which shows increase of Rs. 3616.02 lacs (25.11%). There is profit of Rs. 1730.28 lacs (after tax) during the year 2022-23 compared to profit of Rs. 1383.28 lacs (after tax) during the year 2021-22.

5. Change in the nature of business, if any

There is no change in the nature of business during the financial year 2022-23.

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.

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 & Internal Auditors**Statutory Auditors:**

M/s. VRCA & Associates, Chartered Accountants has been appointed for a period five years pursuant to the provisions of section 139 of the Companies Act 2013 at the AGM held on 29th September, 2022 and is eligible to act as statutory auditor for the current financial year.

Internal Auditors:

M/s. K. C. Mehta & Co LLP was appointed at the meeting of the board of directors held on 12th February, 2022 for FY 2022-23 for conducting internal audit 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 2022-23.

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.

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) Following changes incorporated during the financial year 2022-23:

1. Mr. Ameet Nalin Parikh (DIN 00007036)), retires by rotation, reappointed at the annual general meeting of the Company held on 29th September, 2022.
2. Mr. Ajay Nalin Parikh, Whole-time Director of the Company re-appointed for a period of five years with effect from 1st August, 2023 at the annual general meeting of the Company held on 29th September, 2022.
- B)** Mr. Ajitsingh Mohansingh Bubber (DIN 00454111), retires by rotation at the ensuing annual general meeting and being eligible offered himself for re-appointment as Director.

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

Declarations

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.

Re-appointments:

The Directors to be appointed have given their consents and declarations under Form DIR-8 pursuant to Section 164(2) read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014:

1. Mr. Ajitsingh Mohansingh Bubber (DIN 00454111), Director of the Company retiring by rotation and eligible for re-appointment.
2. Mr. Nimish Patel proposed to be re-appointed as an Independent Director
3. Ms. Deepti Sharma proposed to be re-appointed as an Independent Director

Details of Mr. Ajitsingh Mohansingh Bubber, Director seeking re-appointment and Mr. Nimish Patel & Ms. Deepti Sharma proposed to be re-appointed as Independent Directors as per Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Bombay stock exchange is already annexed to the notice of the annual general meeting.

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, possess requisite qualifications, experience and expertise and they hold good standard of integrity in various fields.

19. Number of meetings of the Board of Directors

During the year from 1st April, 2022 to 31st March, 2023 the Board of Directors met five times on the following dates:

Sr No.	Date	Board Strength	No. of Directors Present
1	30-05-2022	7	5
2	17-06-2022	7	5
3	10-08-2022	7	6
4	12-11-2022	7	7
5	06-02-2023	7	7

The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the erstwhile Listing Agreement.

20. Audit Committee

The members of the Audit Committee of the Company as on 31st March, 2023 are as under:

Sr. No.	Name of Director	Designation
1	Mr. Sandeep Gul Lalwani	Non-Executive Independent Director
2	Mr. Nimish Patel	Non-Executive Independent Director
3	Mr. 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.

The Audit Committee Meetings were held on 30-05-2022, 10-08-2022, 12-11-2022 & 06-02-2023.

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

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

Sr. No.	Name of Director	Designation
1	Mr. Ajay Naishad Desai	Whole-time Director
2	Mr. Sandeep Gul Lalwani	Non-Executive Independent Director
3	Mr. 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, 2023 are as under:

Sr. No.	Name of Director	Designation
1	Mr. Sandeep Gul Lalwani	Non-Executive Independent Director
2	Mr. 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.

The Nomination and Remuneration Committee Meetings were held on 10-08-2022 and 09-03-2023 during the year ended 31st March, 2023.

23. CSR Committee

The members of CSR Committee of the Company as on 31st March, 2023 are as under:

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

The Corporate Social Responsibility Committee Meeting was held on 10-08-2022 during the year ended 31st March, 2023.

The Annual report on CSR Activities for the year under review as per Annexure II inserted vide MCA notification dated 22nd January, 2021 is attached in **Annexure D**.

24. Stakeholders Committee:

The members of stakeholders Committee of the Company as on 31st March, 2023 are as under:

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

The Stakeholders relationship Committee Meetings were held on 30-05-2022, 10-08-2022, 12-11-2022 & 06-02-2023 during the year ended 31st March, 2023.

25. Risk Management Committee:

The members of Risk Management Committee of the Company as on 31st March, 2023 are as under:

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

The Risk management Committee Meeting were held on 30-05-2022, 10-08-2022 & 06-02-2023 during the year ended 31st March, 2023.

26. 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.

27. 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.

The Company has entered into revised contract in form of MOU with Morphis Business Advisory LLP, Bombay with effect from 1st April, 2023 for a period of five years, which has been approved by the Board of Directors at the meeting, held on 18th May, 2023.

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

28. 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**).

29. Secretarial Audit Report

The Secretarial Audit Report pursuant to section 204(1) of the Companies Act, 2013 given by M/s. DRP & Associates, Practicing Company Secretaries has been enclosed herewith along with Annual Secretarial Compliance Report as required under Regulation 24A of LODR Regulations, 2015. **(Annexure-E)**.

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

30. Corporate Governance Report

A detailed corporate governance report including compliance certificate received from M/s. DRP & Associates, Practicing Company Secretaries, 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 F**.

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 G**.

The Business Responsibility and Sustainability Reporting as stipulated in Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been annexed to Directors' report as **Annexure H**.

31. 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.

32. 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.
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.

33. 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.

34. 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.

35. Cost Audit.

M/s. K. H. Shah & Co., Cost Accountants, were appointed with the approval of the Board to carry out the cost audit for F.Y. 2022-23.

Based on the recommendation of the Audit Committee, M/s. K. H. Shah & Co., Cost Accountants, being eligible, have also been appointed by the Board of Directors in their meeting held on 18-05-2023 as the Cost Auditors for F.Y. 2023-24. The remuneration to be paid to M/s. K. H. Shah & Co., for F.Y. 2023-24 is subject to ratification by the shareholders at the ensuing AGM.

Cost records as specified by the Central Government under sub-section 1 of section 148 of the Companies Act, 2013, are maintained by the Company for the financial year 2022-23.

36. Details of fraud reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

There was no fraud reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

37. Details of proceedings under the Insolvency and Bankruptcy Code, 2016

There was no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

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

The Company has been employing about 9 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 2022-23 and hence no complaint is outstanding as on 31.03.2023 for redressal.

39. 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

Date: 29.05.2023

Registered Office:

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

Ajay Naishad Desai

Executive Director

DIN: 00452821

Ajay Nalin Parikh

Executive Director

DIN: 00453711

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. 2022-23	F.Y. 2021-22
Total foreign exchange used	344.92	190.99
Total foreign exchange earned	2050.93	2480.58

By Order of the Board of Directors

Date: 29.05.2023
Registered Office:
 Vadodara-Halol Highway,
 Baska, Panchmahal-389350, Gujarat

Ajay Naishad Desai
 Executive Director
 DIN: 00452821

Ajay Nalin Parikh
 Executive Director
 DIN: 00453711

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. (During the financial year: Rs. 42.00 lacs paid as professional fees)
- (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.
- (g) Amount paid as advances, if any: No advance is paid.

By Order of the Board of Directors

Date: 29.05.2023

Registered Office:

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

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

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 2022-23	Director's Name	Ratio to median remuneration
		Mr. Ajay Naishad Desai, Whole Time Director	24.00
		Mr. Ajay Nalin Parikh, Whole Time Director	24.00
(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 2022-23 compared to 2021-22	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	51.17%
		Mr. R K Bhavsar, CFO	5.88%
(iii)	Percentage increase in the median remuneration of employees in the financial year 2022-23 compared to 2021-22	8.72 %	
(iv)	Number of permanent employees on the rolls of the company	As on 31.03.2023	As on 31.03.2022
		205	197
(viii)	Average percentile increase in salaries of Employees other than managerial personnel	During 2022-23	During 2021-22
		5.81 %	22.64%
	Justification for increase / decrease with reasons for any exceptional circumstances	It is in line with the industry practice and is within the normal range.	It is in line with the industry practice and is within the normal range.

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 2022-23:

Name	Age - Years	Designation	Nature of employment	Qualification & Experience (Yrs)	Remuneration received (Rs.)	Date of Commencement of employment	Last employment/ Designation
i. Employed throughout the financial year							
Mr. Ajay Naishad Desai	64	Whole time Director	Contractual	B.E.(Elec.) 41 years	1,50,00,000	01.03.1992	Age Technologies Pvt. Ltd./ Director
Mr. Ajay Nalin Parikh	65	Whole time Director	Contractual	B.E.(Mech.) 41 years	1,50,00,000	01.03.1992	Age Technologies Pvt. Ltd./ Director
ii. Employed for a part of financial year							
	NA	NA	NA	NA	NA	NA	NA
iii. Employed throughout the year of part thereof							
	NA	NA	NA	NA	NA	NA	NA

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.

By Order of the Board of Directors

Date: 29.05.2023

Registered Office:

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

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

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

ANNEXURE - D

**Annual Report on CSR Activities as mentioned in Annexure - II
pursuant to Rule 8 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021**

1. Brief outline on CSR Policy of the Company.
To actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sandeep Gul Lalwani	Chairman & Non-Executive Independent Director	01	01
2	Ameet Nalin Parikh	Non-Executive Director	01	01
3	Ajay Nalin Parikh	Executive Director	01	01

CSR Meeting held on 10-08-2022 during the financial year.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - - www.axtelindia.com
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable - Not applicable as average CSR Obligation calculated is less than ten crore rupees.
5. (a) Average net profit of the company as per sub-section (5) of section 135: Rs. 20,19,42,779/-
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 40,38,856/-
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Rs. 0.00/-
(d) Amount required to be set off for the financial year, if any - Rs. 479/-
(e) Total CSR obligation for the financial year [(a)+(b)+(c)] - Rs. 40,38,377/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 40,38,400/- (See Attachment)
(b) Amount spent in Administrative Overheads: NA
(c) Amount spent on Impact Assessment, if applicable: NA
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 40,38,400/-
(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
40,38,400/-	0.00	NA	NA	0.00	NA

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135.	Rs. 40,38,856/- Less: Set off amount of previous year Rs. 479/- Rs. 40,38,377/-
(ii)	Total amount spent for the Financial Year	Rs. 40,38,400/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 23/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Rs. 0/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 23/-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1.	2021-22	0.00	0.00	NA	0.00	NA	0.00	NA
2.	2020-21	0.00	0.00	NA	0.00	NA	0.00	NA
3.	2019-20	0.00	0.00	NA	0.00	NA	0.00	NA
	Total	0.00	0.00					

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes No

If Yes, enter the number of Capital assets created/ acquired- _____

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1	NA	NA	NA	NA	NA		

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

For Axtel Industries Limited

Sandeep Gul Lalwani
Chairman of CSR Committee
DIN: 01679803

Date: 29.05.2023

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

Attachment to Annexure
Amount spent on CSR Projects on other than Ongoing Projects: Rs. 40,38,400/-

(1) SI. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of Implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
1.	Donation to Charutar Arogya Mandal, Karamsad towards promoting healthcare including preventive healthcare	1	No	Gujarat	Karamsad	2,00,000	No	Charutar Arogya Mandal	CSR00002068
2.	Donation to Society for Environment Protection towards environment sustainability	4	Yes	Gujarat	Vadodara	20,13,400	No	Society for Environment Protection	CSR00026076
3.	Donation to Akshar Trust towards promoting education including special education	2	Yes	Gujarat	Vadodara	5,00,000	No	Akshar Trust	CSR00000100
4.	Donation to Dhiram Trust towards promotion of vocational skills, employability of specially abled persons	2	Yes	Gujarat	Vadodara	5,50,000	No	Dhiram Trust	CSR00029946
5.	Donation to Bhasha Research & Publication Centre towards promoting healthcare in tribal areas	1	Yes	Gujarat	Vadodara	5,00,000	No	Bhasha Research & Publication Centre	CSR00006659
6.	Donation to Lagni Foundation towards meals to under privileged elders in slum areas	3	Yes	Gujarat	Vadodara	2,75,000	No	Lagni Foundation	CSR0003051
	TOTAL					40,38,400			

ANNEXURE - E

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[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,
Vadodara Halol Highway,
Baska, Gujarat - 389350.

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, 2023 (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, 2023 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 except re-appointment of Mr. Ajay Nalin Parikh as Executive director of the Company with effect from 01.08.2023 for a period of five years by passing resolution at the meeting of the Board of Directors held on 18.05.2023 pursuant to consent accorded from shareholders at the annual general meeting held on 29.09.2022 for his re-appointment.

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.

Signature:
DRP & Associates.
Company Secretaries

Place: VADODARA
Date: 29.05.2023

Dinesh Mehta
FCS No.8419
C P No.: 2127
PR: 1204/2021
UDIN: F008419E000412020

Secretarial Compliance Report of
AXTEL INDUSTRIES LIMITED
for the year ended 31st March, 2023

To,
The Board of Directors,
AXTEL INDUSTRIES LIMITED
VADODARA HALOL HIGHWAY,
BASKA Panch Mahals GJ 389350

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by AXTEL INDUSTRIES LIMITED (hereinafter referred as 'the listed entity'), having its Registered Office at Vadodara Halol Highway Baska Panch Mahals GJ 389350. Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I, Dinesh Mehta, Partner of M/s. DRP & Associates, 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 on 31st March, 2023 ("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.

AXTEL INDUSTRIES LIMITED

- e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - 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 Non-Convertible securities) Regulations, 2021; -Not applicable as there was no issue and listing of non-convertible and redeemable preference shares during the review period.
- g. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h. (other regulations as applicable)

and circulars/ guidelines issued thereunder;

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

- i. (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:-

SN	Compliance Requirement (Regulations / Circulars / Guidelines / including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory /Clarification /Fine /Show Cause Notice / Warning, etc.					
NA		NA	NA	NA	NA	NA	NA	NA	NA	NA

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

SN	Compliance Requirement (Regulations / Circulars / Guidelines / including specific clause)	Regulation / Circular No.	Deviations	Action taken by	Type of Action	Details of violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory /Clarification /Fine /Show Cause Notice / Warning, etc.					
NA		NA	NA	NA	NA	NA	NA	NA	NA	NA

- ii. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status Yes/No/NA	Observation /Remarks by PCS
1	Compliances with the following conditions while appointing/re-appointing an auditor		
I.	If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	There was no resignation of the Auditor during the year under review. The term of M/s. VCA & ASSOCIATES, Statutory Auditors of the company has expired and therefore M/s. VRCA & Associates had been appointed for the term of 5 years as statutory auditors during the AGM held on 29/09/2022.
II.	If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or		
III.	If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.		

2	Other conditions relating to resignation of statutory auditor		
I.	Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	NA	There was no resignation of the Auditor during the year under review.
a.	In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.		
b.	In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.		
c.	The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.		
II.	Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.		
3	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	NA	There is no subsidiary of the Company

*Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

III. I/we hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status Yes/No/NA	Observation /Remarks by PCS
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	YES	No Observation/ Remark
2	Adoption and timely updation of the Policies: All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	YES	No Observation/ Remark
3	Maintenance and disclosures on Website: The Listed entity is maintaining a functional Website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website	YES	No Observation/ Remark
4	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	YES	No Observation/ Remark
5	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	NA	No Observation/ Remark
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	No Observation/ Remark
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	YES	No Observation/ Remark

8	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	YES	No Observation/ Remark
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	No Observation/ Remark
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	No Observation/ Remark
11	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	No action taken by SEBI or Stock Exchange	NA
12	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	No additional non- compliance	No Observation/ Remark

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Signature:
DRP & Associates.
Company Secretaries

Place: VADODARA
Date: 29.05.2023

Dinesh Mehta
FCS No.8419
C P No.: 2127
PR:1204/2021
UDIN: F008419E000404155

ANNEXURE – F 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, 2023.

The Board comprised of seven Directors comprising two Executive Directors, two 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 1st April, 2022 to 31st March, 2023:

Name of the Director	Designation	Number of shares held
Mr. Ajay Naishad Desai	Executive Director	9,21,935
Mr. Ajay Nalin Parikh	Executive Director	4,66,044
Mr. Ameet Nalin Parikh	Non-Executive Director	NIL
Mr. Ajit Singh Bubber	Non-Executive Director	NIL
Mr. Sandeep Gul Lalwani	Chairman & Non-Executive Independent Director	NIL
Mr. 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 31 st March, 2023 (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 31 st March, 2023 (i.e. committee of AXTEL)
Mr. Ajay Naishad Desai	5	4	Present	1	1
Mr. Ajay Nalin Parikh	5	5	Present	0	3
Mr. Ameet Nalin Parikh	5	5	Present	4 Independent Director in Simmonds Marshall Ltd.	3
Mr. Ajit Singh Mohansingh Bubber	5	5	Present	2	0
Mr. Sandeep Gul Lalwani	5	3	Present	6	4
Mr. Nimish Patel	5	3	Present	2	2
Mrs. Deepti Sharma	5	5	Present	4 Independent Director in 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, 2022 to 31st March, 2023 the Board of Directors met five times on the following dates:

Sr	Date	Board Strength	No. of Directors Present
1	30-05-2022	7	5
2	17-06-2022	7	5
3	10-08-2022	7	6
4	12-11-2022	7	7
5	06-02-2023	7	7

e) Disclosure of relationships between directors inter-se:

- i. Mr. Ajay Nalin Parikh and Mr. Ameet Nalin Parikh are brothers.
- ii. 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
Mr. Ameet Nalin Parikh	Non-Executive Director	NIL
Mr. Ajit Singh Bubber	Non-Executive Director	NIL
Mr. Sandeep Gul Lalwani	Chairman & Non-Executive Independent Director	NIL
Mr. 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: <ul style="list-style-type: none"> • Commercial laws • Employment laws • Health & Safety legislations
Human Resource Management	Qualification and experience in human resource management with an understanding of: <ul style="list-style-type: none"> • 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
Mr. Ajay Naishad Desai	Executive Director	Engineering, marketing and administration
Mr. Ajay Nalin Parikh	Executive Director	Engineering, designing and administration
Mr. Ameet Nalin Parikh	Non-Executive Director	Risk management & finance
Mr. Ajit Singh Bubber	Non-Executive Director	Business management
Mr. Sandeep Gul Lalwani	Chairman & Non-Executive Independent Director	Accounting, finance, audit and information technology.
Mr. 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 2022-23.

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, 2023:

No.	Name of Director	Designation
1	Mr. Sandeep Gul Lalwani, Chairperson of Committee	Non-Executive Independent Director
2	Mr. Nimish Patel	Non-Executive Independent Director
3	Mr. 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 on 30-05-2022, 10-08-2022, 12-11-2022 & 06-02-2023 during the year ended 31st March, 2023.
- Attendance during the year 2022-23 in Audit Committee:

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

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, 2023:

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

c) Meeting and attendance:

- Meeting of Nomination and Remuneration Committee was held on 10-08-2022 & 09-03-2023 during the year 2022-23.
- Attendance during the year 2022-23 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	Mr. Sandeep Gul Lalwani	2	2	2	100%
2	Mr. Nimish Patel, Chairperson of Committee	2	2	1	50%
3	Mrs. Deepti Sharma	2	2	2	100 %

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. Stakeholders relationship Committee:

a) Name of non-executive director heading the committee	Mrs. Deepti Sharma, Independent Director is Chairperson of the Stakeholders Relationship Committee.
b) Name and designation of compliance officer	Mrs. Prerna Bokil, Company Secretary
c) Number of shareholders' complaints received so far during the year 2022-23	12
d) Number of complaints not solved to the satisfaction of shareholders	0
e) Number of pending complaints as on 31/03/2023	0
f) Other details	Mentioned below

• Committee members.

No.	Name of Director	Designation
1	Mr. Ajay Naishad Desai	Executive Director
2	Mr. Ajay Nalin Parikh	Executive Director
3	Mrs. Deepti Sharma, Chairperson of Committee	Independent Director

- Stakeholders relationship Committee Meeting was held on 30-05-2022, 10-08-2022, 12-11-2022 & 06-02-2023 during the year ended 31st March, 2023.
- Attendance during the year in Stakeholders Committee meetings during the year 2022-23:

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

5A. Risk management Committee:

a. Broad Terms of reference of the Risk Management Committee:

- To manage and monitor implementation of action plans
- To set up internal process and systems to control action plans
- To monitor and evaluate performance of management in managing risk
- To regularly review and update material business risks
- To ensure compliance with regulatory requirements associated with risk Management
- To periodically review the framework for risk management
- To review cyber security risks

b. Composition, name of members and chairperson:

This committee, comprises of the following Executive Director and Non-Executive Independent Directors as on 31st March, 2023.

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

c. Meetings and attendance during the year:

- Risk management Committee Meeting was held on 30-05-2022, 10-08-2022 & 06-02-2023 during the year ended 31st March, 2023.

- Attendance during the year in Risk Management Committee meetings during the year 2022-23:

No.	Name of Director	Number of meetings held	Number of meetings entitled to attend	Number of meetings attended	% of Attendance
1	Mr. Ajay Nalin Parikh	3	3	3	100 %
2	Mr. Ameet Nalin Parikh	3	3	3	100 %
3	Mr. Sandeep Gul Lalwani	3	3	2	67%

6. 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 2022-23.

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 2022-23.

c) Disclosures of remuneration:

- Executive Directors :**

Name of the director	Salary	Perquisites	Total
Mr. Ajay Naishad Desai	1,50,00,000	NIL	1,50,00,000
Mr. 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
Mr. Ajay Naishad Desai	1 st March, 2022	28 th February, 2027
Mr. Ajay Nalin Parikh	1 st August, 2018	31 st 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 2022-23 as under:

Name of the director	Sitting fee to attend Board meetings (Rupees)	Sitting fee to attend committee (Rupees)	Total (Rupees)
Mr. Sandeep Gul Lalwani	60,000	80,000	1,40,000
Mr. Nimish Patel	60,000	30,000	90,000
Mrs. Deepti Sharma	1,00,000	1,00,000	2,00,000
Mr. Ameet Nalin Parikh	1,00,000	60,000	1,60,000
Mr. Ajitsing Bubber	1,00,000	NIL	1,00,000

- Key Managerial Personnel:**

Name	Designation	Salary	Remarks
Mrs. Purna Bokil	Company Secretary	Rs. 4,31,737	-
Mr. Rajendra K. Bhavsar	Chief Financial Officer	Rs. 65,13,765	-

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

7. General Body Meetings:

The last three Annual General Meetings [AGMs] of the Company were held on the following dates and time mentioned below:

[A] Details of last three AGMs held:

AGM	DAY AND DATE	TIME
28th AGM held through VC	Friday, 25th September, 2020	11.00 a.m.
29th AGM held through VC	Wednesday, 15th September, 2021	11.00 a.m.
30th AGM held through VC	Thursday, 29th September, 2022	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] Person who conducted the Postal Ballot exercises: Not Applicable

[E] Whether any special resolution is proposed to be conducted through postal ballot? - No

[F] Procedure for postal ballot – Not Applicable

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 31st Annual General Meeting
 Day and Date Monday, 10th July, 2023
 Time 11.00 a.m.
 Venue Through VC /OAVM

[B] Financial Calender

(1st April, 2023 to 31st March, 2024)

1st Quarterly Result - by 14/08/2023
 2nd Quarterly Result - by 14/11/2023
 3rd Quarterly Result - by 14/02/2024
 Audited result for the year ending on 31/03/2024 by 30/05/2024

[C] Dividend payment date which was declared at previous AGM 12/10/2022 - Final dividend declared on AGM dated 29/09/2022

[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); BSE Ltd., 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 2022-23 and 2023-24 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 2022-23 are as under:

Month	High Price	Low Price	No. of Shares	No. of Trades	BSE Sensex
Apr-22	310.00	258.10	131995	3469	57060.87
May-22	279.95	220.00	143583	3507	55566.41
Jun-22	267.85	217.75	47253	1745	53018.94
Jul-22	270.00	221.05	112968	2858	57570.25
Aug-22	239.00	200.00	234624	4106	59537.07
Sep-22	245.00	201.00	202669	3740	57426.92
Oct-22	239.95	206.70	66619	1557	60746.59
Nov-22	278.70	229.10	218194	4277	63099.65
Dec-22	259.80	208.85	317272	5553	60840.74
Jan-23	239.80	210.30	136399	2677	59549.90
Feb-23	224.75	197.50	113983	2819	58962.12
Mar-23	259.00	202.20	246917	3657	58991.52

- [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 dematerialized 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, 2023:** Shareholding as per ownership is as under:

Category	No. of Shares	Percent
Promoter Group	80,69,307	49.95%
NRI/OCB	21,88,858	13.55%
Bodies Corporate	2,86,187	1.77%
Foreign Portfolio Investors	0	0.00%
Non-institutions - Individual	54,38,280	33.66%
LLP	13,958	0.09%
Others	158,210	0.98%
Total	1,61,54,800	100.00%

- [L] Dematerialization of share and liquidity:** As on 31st March, 2023, 87.70 % of the Company's total shares representing 1,41,67,795 shares were held in dematerialized form and the balance 12.30% representing 19,87,005 shares were held in physical 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**
Commodity price risk Mentioned below:
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. However, the Company had availed annual surveillance credit rating service for banking facilities (borrowed funds) of the Company for FY 2022-23 and received report from CARE EDGE Ratings.

10. Other Disclosures:

- | | |
|---|--|
| <p>(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</p> | <ul style="list-style-type: none"> • 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 Mr. Ajay Naishad Desai, Executive Director and Mr. Ajay Nalin Parikh, Executive Director. • Professional fees have been paid to Morphis Business Advisory LLP, in which Mr. Ameet Nalin Parikh is partner, from 01.04.2022 to 31.03.2023. |
| <p>(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</p> | <p>There was no instance of non-compliance by the company.</p> |
| <p>(c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee</p> | <ul style="list-style-type: none"> • The Board has appointed the following persons as members of vigil committee: <ol style="list-style-type: none"> 1. Mr. Ajay Naishad Desai, Whole time Director 2. Mr. Sandeep Gul Lalwani, Non-Executive Independent Director 3. Mr. 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. |
| <p>(d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements</p> | <p>The company has complied with all mandatory requirements and the company has not adopted any non-mandatory requirements.</p> |
| <p>(e) web link where policy for determining material subsidiaries is disclosed</p> | <p>Not applicable as there is no subsidiary company of the company</p> |
| <p>(f) web link where policy on dealing with related party transactions</p> | <p>www.axtelindia.com</p> |
| <p>(g) disclosure of commodity price risks and commodity hedging activities</p> | <p>Risk of price fluctuation on basic raw materials like steel, components, power as well as finished goods used in the process of manufacturing.</p> |
| <p>(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).</p> | <p>NOT APPLICABLE</p> |
| <p>(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.</p> | <p>Certificate attached with the corporate governance report</p> |
| <p>(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.</p> | <p>NOT APPLICABLE</p> |

(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 2022-23: Rs. 4,31,250/- Bifurcation of the same is as under: Audit fees and tax audit matters: Rs. 2,30,000/- Other Certifications: Rs. 2,01,250/-
(l)	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:	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
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
(m)	Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount	No loans and advance in nature of loans granted to firms / companies in which directors are interested during the period under review.
(n)	Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries	There is no subsidiary of the Company

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

Date: 29.05.2023

Registered Office:

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

Ajay Naishad Desai
Executive Director
DIN: 00452821

Ajay Nalin Parikh
Executive Director
DIN: 00453711

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

To,
Axtel Industries Limited,
Vadodara Halol Highway,
Baska, Panch Mahals - 389350,
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 2023.

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 DRP & Associates
Company Secretaries**

**Place: Vadodara
Date: 29.05.2023**

**Sd/-
Dinesh Mehta
FCS No.8419
C P No.: 2127
PR: 1204/2021
UDIN: F008419E000411965**

CERTIFICATE

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

To,
Axtel Industries Limited,
Vadodara Halol Highway,
Baska, Panch Mahals - 389350,
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 for FY 2022-23.

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

**For DRP & Associates
Company Secretaries**

**Place: Vadodara
Date: 29.05.2023**

**Sd/-
Dinesh Mehta
FCS No.8419
C P No.: 2127
PR: 1204/2021
UDIN: F008419E000411791**

COMPLIANCE CERTIFICATE

We, the Executive Directors and CFO of the Company, pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015 read with Schedule II, hereby furnish the following:

- A. We have reviewed financial statements and the cash flow statement for the financial year 2022-23 and that to the best of their knowledge and belief:
- (1) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) The statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We inform to the best of our knowledge and belief that no transactions are entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we were aware and the steps we had taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee regarding:
- (1) Any significant changes in internal control over financial reporting during the year;
 - (2) Any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Any instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For AXTEL INDUSTRIES LIMITED

AJAY NALIN PARIKH
Executive Director
DIN: 00453711

AJAY NAISHAD DESAI
Executive Director
DIN: 00452821

RAJENDRA BHAVSAR
Chief Financial Officer (CFO)
Date: 18.05.2023

ANNEXURE - G

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 manage 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 2022-23 was Rs. 18014.57 lacs compared to Rs. 14398.55 lacs of previous year 2021-22 which shows increase of Rs. 3616.02 lacs (25.11%). There is profit of Rs. 1730.28 lacs (after tax) during the year 2022-23 compared to profit of Rs. 1383.28 lacs (after tax) during the year 2021-22.

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:

- h)** Total turnover during the year 2022-23 was Rs. 18014.57 lacs compared to Rs. 14398.55 lacs of previous year 2021-22 which shows increase of Rs. 3616.02 lacs (25.11%). There is profit of Rs. 1730.28 lacs (after tax) during the year 2022-23 compared to profit of Rs. 1383.28 lacs (after tax) during the year 2021-22.

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 number of employees on payroll are 205.

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. 2022-23	F.Y. 2021-22
(i) Debtors Turnover	3.35	6.27
(ii) Inventory Turnover	2.34	2.58
(iii) Interest Coverage Ratio	0.00	52.23
(iv) Current Ratio	1.96	2.44
(v) Debt Equity Ratio	0.86	0.62
(vi) Operating Profit Margin (%)	13.35	12.04
(vii) Net Profit Margin (%)	9.60	9.61

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. 2022-23	F.Y. 2021-22
Return on Net Worth	0.18	0.17

Disclosure of Accounting Treatment:

The financial statements for the year ended 31st March, 2023 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: 29.05.2023

Registered Office:

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

ANNEXURE - H

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity:** L91110GJ1991PLC016185
2. **Name of the Listed Entity:** AXTEL INDUSTRIES LIMITED
3. **Year of incorporation:** 28/08/1991
4. **Registered office address:** Vadodara Halol Highway, Baska, PanchMahal - 389350, Gujarat, India
5. **Corporate address:** Vadodara Halol Highway, Baska, PanchMahal - 389350, Gujarat, India
6. **E-mail:** info@axtelindia.com
7. **Telephone:** 02676-247900
8. **Website:** www.axtelindia.com
9. **Financial year for which reporting is being done:** April 2022 - March 2023
10. **Name of the Stock Exchange(s) where shares are listed:** BSE Limited
11. **Paid-up Capital :** Rs. 16,15,48,000
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:** CS Prerna Sudeep Bokil, Company Secretary & Compliance Officer
Email - prerna.bokil@axtelindia.com
Contact Number: 02676-247900
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) :** Standalone basis

II. Products/services

14. **Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing of food processing plant & machinery	100 %

15. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/ Service	NIC Code	% of total Turnover contributed
1	Manufacturing of food processing plant & machinery	28259	100%

III. Operations

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of Plants	Number of offices	Total
National	01	01	02
International	00	00	00

17. **Markets served by the entity:**

a. **Number of locations**

Locations	Number
National (No. of States)	28
International (No. of Countries)	19

b. **What is the contribution of exports as a percentage of the total turnover of the entity?**

11.38% is contribution of exports as a percentage of the total turnover of the entity.

c. **A brief on types of customers**

As we are into business of supplying process engineering equipments, our customers are mainly from food, pharmaceutical and chemical industries from India and abroad.

IV. **Employees**

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	196	187	95.41	9	4.59
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	196	187	95.41	9	4.59
WORKERS						
4.	Permanent (F)	9	9	100	0	0
5.	Other than Permanent (G)	445	445	100	0	0
6.	Total workers (F + G)	454	454	100	0	0

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	NA	0	NA
2.	Other than Permanent (E)	0	0	NA	0	NA
3.	Total differently abled employees (D + E)	0	0	NA	0	NA
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	NA	0	NA
5.	Other than Permanent (G)	0	0	NA	0	NA
6.	Total differently abled workers (F + G)	0	0	NA	0	NA

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.28
Key Management Personnel	2	1	50

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.82%	1.04%	28.86%	24%	2.79%	26.79%	7.05%	1.17%	8.22%
Permanent Workers	0	0	0	8.33%	0	8.33%	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	NA	NA	NA	NA

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: YES

(ii) Turnover (in Rs.): 18014.57 lacs

(iii) Net worth (in Rs.): 7954.70 lacs

VII. Transparency and Disclosures Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	YES	0	0	NA	0	0	NA
Investors (other than shareholders)	YES info@axtelindia.com	0	0	NA	0	0	NA
Shareholders	YES investors@axtelindia.com	12	0	NA	27	1	Complaint is received on 29/03/2022
Employees and workers	YES	0	0	NA	0	0	NA
Customers	YES	0	0	NA	0	0	Project manager co-ordinates with customers as per their queries.
Value Chain Partners	YES	0	0	NA	0	0	Sales – Director and Purchase Manager deals with value chain partners
Other(please specify)	NA	NA	NA	NA	NA	NA	NA

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

S. No.	Material issues identified	Indicate whether risk or Opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Commodity Price Risk	R	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.	By focusing on new value added products helps in lowering the impact of price fluctuation in finished goods.
2	Uncertain global economic environment	R	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.	No negative financial implication unless major global economic environment change arose.
3	Foreign Exchange Risk	R	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.	In case of major fluctuation either upwards or downwards, the effect will be minimal.
4	Human Resources Risk	R	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.	Company does not anticipate any major issue for the coming years so negative impact shall be there to the Company.
5	Competition Risk	R	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, your company plans to mitigate the risks so involved.	The Company by focusing on quality, cost, timely delivery and customer service, your company plans to mitigate the risks so involved.

6	Industrial Safety, Employee Health and Safety Risk.	R	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.	No major negative implications shall be there.
7	Cyber security Risk	R	The Company shall be at cyber security risk due to human negligence managing information technology works or hacking of systems by any unknown source	By using good internet connection through Firewall and software for anti-virus online protection, back up plans by using anti-spam cloud service, anti-virus spamming / virus / malware blocking by keeping strong and safe software system and using safe system not to be used by any unknown source.	As the Company has good internal control system over cyber security risks, no major financial implications noticed.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and Management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	www.axtelindia.com								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements : The Company is in process to understand ESG framework thoroughly to understand ESG related challenges & achieve result for the betterment of company & society.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).				Mr. Ajay Nalin Parikh, Executive Director					
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.				No. Board of Directors of the Company decides.					

10. Details of Review of NGRBCs by the Company:																			
Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	A	A	A	A	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P1	P2	P3	P4	P5	P6	P7	P8	P9	
										N	N	N	N	N	N	N	N	N	

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: NA

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	NA	NA	NA
Key Managerial Personnel	NA	NA	NA
Employees other than BOD and KMPs	NA	NA	NA
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): NA

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding Fee	NA	NA	NA	NA	NA
Non - Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)	
Imprisonment	NA	NA	NA	NA	
Punishment	NA	NA	NA	NA	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. No
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors.	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs.	NIL	NA	NIL	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/ principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NA	NA	NA

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, conflict of interest, if any in the Board of members is solved by discussing points in meeting held of the Board from time to time.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	NA
Capex	100.00%	100.00%	Investing in specific technologies to improve our product and processing system

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, mostly as our commitment is to make our supply chain more responsible and sustainable.

b. If yes, what percentage of inputs were sourced sustainably?

We procure approximate 56.22 % of our material locally and within state and target to increase local procurement to align with sustainable sourcing goals.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste. Not applicable.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same. Not applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? NO

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If Yes, provide the web – link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/ concern	Action Taken
NA	NA	NA
NA	NA	NA
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	187	187	100	187	100	NIL	NA	187	100	NIL	NA
Female	9	9	100	9	100	9	100	NIL	100	NIL	NA
TOTAL	196	196	100	196	100	9	4.59	187	95.40	NIL	NA
Other than Permanent employees											
Male	NIL	NIL	NA	NIL	NA	NIL	NA	NIL	NA	NIL	NA
Female	NIL	NIL	NA	NIL	NA	NIL	NA	NIL	NA	NIL	NA
TOTAL	NIL	NIL	NA	NIL	NA	NIL	NA	NIL	NA	NIL	NA

- b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	9	9	100	9	100	NIL	NA	9	100	NIL	NA
Female	NIL	NIL	NA	NIL	NA	NIL	NA	NIL	NA	NIL	NA
TOTAL	9	9	100	9	100	NIL	NA	9	100	NIL	NA
Other than Permanent workers											
Male	445	NIL	NA	445	100	NIL	NA	NIL	NA	NIL	NA
Female	NIL	NIL	NA	NIL	NA	NIL	NA	NIL	NA	NIL	NA
TOTAL	445	NIL	NA	445	100	NIL	NA	NIL	NA	NIL	NA

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	90.81	100	Yes	100	100	Yes
Gratuity	100	100	NA	100	100	NA
ESI	NA	NA	NA	NA	NA	NA
Others – please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard - NA as no disabled persons employed in the company.

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy - NA as no disabled persons employed in the company.

4. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
TOTAL	NA	NA	NA	NA

5. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has policy to redress grievances
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

6. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	NIL	NIL	NA	NIL	NIL	NA
- Male	NIL	NIL	NA	NIL	NIL	NA
- Female	NIL	NIL	NA	NIL	NIL	NA
Total Permanent Workers	NIL	NIL	NA	NIL	NIL	NA
- Male	NIL	NIL	NA	NIL	NIL	NA
- Female	NIL	NIL	NA	NIL	NIL	NA

7. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/A)	No. (F)	% (F/A)
Employees										
Male	36	21	58.33	15	41.66	7	NIL	NIL	7	100
Female	0	NIL	NIL	0	100	NIL	NIL	NIL	NIL	100
TOTAL	36	21	58.33	15	41.66	7	NIL	NIL	7	100
Workers										
Male	17	17	100	0	0.00	13	13	100	NIL	NA
Female	NIL	NIL	NA	NIL	NA	NIL	NIL	NA	NIL	NA
TOTAL	17	17	100	0	0.00	13	13	100	NIL	NA

8. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	193	157	81.34	157	141	89.81
Female	9	6	66.66	7	7	100
TOTAL	202	163	80.69	164	148	90.24
Workers						
Male	9	9	100	12	12	100
Female	NIL	NIL	NA	NIL	NIL	NA
TOTAL	9	9	100	12	12	100

9. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
 Yes, the Company has internal management system for employees of the Company for their health and safety. The Company has internal manual to ensure safety and well-being of its employees and workers.
 Also, OHC (Occupational Health Centre) is under construction. Further, we have celebrated National Safety Week to create safety awareness amongst the employees and workers of the Company in 4th March, 2023 to 10th March, 2023.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
 The Company being machine manufacturing company, all safety measures are in place and regularly monitored. Also, we had provided HIRA (Hazard Identification & Risk Analysis) training to employees of the Company.
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
 Yes, the Company has internal management system for employees of the Company for their health and safety. Also, we have Safety Committee of Company who takes cares about the safety management.
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
 Yes, the Company has policy for their employees and workers of providing them medical and healthcare services in case of any injury in the Company.

10. Details of safety related incidents, in the following format

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million – person hours worked)	Employees	NA	NA
	Workers	NA	NA
Total recordable work-related injuries	Employees	NA	NA
	Workers	NA	NA
No. of fatalities	Employees	NA	NA
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NA	NA
	Workers	01	NA

11. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has internal management system for employees of the Company for their health and safety and all safety precautions for eyes, head, ear and nose being taken care of. Safety shoes are compulsory in the factory premises.

12. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	NIL	NIL	NA	NIL	NIL	NA
Health & Safety	NIL	NIL	NA	NIL	NIL	NA

13. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third person)
Health & Safety practices	NA
Working Conditions	NA

14. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. Not applicable

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of
 - (A) Employees: YES, in case of accident anytime and anywhere in the Country
 - (B) Workers: YES, in case of accident anytime and anywhere in the Country
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Contractors are required to submit valid PF and ESIC registrations and copies of attendance & wage registers, workmen compensation policy and challans as a proof of payment of statutory dues on an ongoing basis.
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	NIL	NIL	NIL	NIL
Workers	01	NIL	01	NIL

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company gives option to the employees who are retiring for extension of job. The Company gives transition assistance and support on case to case basis.
- Details on assessment of value chain partners:

	% of your value chain partners (by value of business done with such partners) that were assessed
Health & Safety practices	NA
Working Conditions	NA

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No such actions taken.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.
 All individuals / group of individuals / entities which influence and have interest in our operations, products and services are mapped as stakeholders.
 Mapping of stakeholders:
 Internal stakeholders - Employees and contractual support staff
 External stakeholders - Investors, customers, lenders, suppliers, value chain partners, any other person outside Company who influence and have interest.
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder	No	By e-mail or phone calls	Others - As and when required	- To focus on strong and operating and financial performance - To focus on highlighting commitments and disclosures - To deal diligently by proper system. - To solve concerns raised.
Customer	No	By E-mail , pamphlets, etc	Others - As and when required	To understand customer requirements and to identify opportunities to improve products and services
Employees	Yes	By E-mail and community meetings	Others - As and when required	To provide safe working environment and to build responsible citizenry.
Supplier/ Vendor	No	By E-mail, community meetings	Others - As and when required	To ensure quality and to expand reach & impact of sustainability initiatives by integrating sustainability principles.
Banks	No	By E-mail and by notice	Others - As and when required	- To focus on strong and operating and financial performance - To focus on highlighting commitments and disclosures

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Engagement with stakeholders on environmental, social and governance topics is carried out by the departments which are also responsible for engaging with these stakeholders continually.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

No as this is first reporting period and company is in process to identify mechanism to cope up with the activities and policies of the entity to identify and manage environmental and social topics.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Right now only employees and workers are categorized as vulnerable / marginalized stakeholder group, so internally the Company is managing internal policies for engagement and actions to address concerns of employees and workers, if any.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	NIL	NIL	NA	NIL	NIL	NA
Other than Permanent	NIL	NIL	NA	NIL	NIL	NA
Total Employees	NIL	NIL	NA	NIL	NIL	NA
Workers						
Permanent	NIL	NIL	NA	NIL	NIL	NA
Other than Permanent	NIL	NIL	NA	NIL	NIL	NA
Total Workers	NIL	NIL	NA	NIL	NIL	NA

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (A)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/A)	No. (F)	% (F/A)
Employees										
Permanent	196	NIL	NA	196	100	185	NIL	NA	185	100
Male	187	NIL	NA	187	100	177	NIL	NA	177	100
Female	9	NIL	NA	9	100	8	NIL	NA	8	100
Other than Permanent	NIL	NIL	NA	NIL	NA	NIL	NIL	NA	NIL	NA
Male	NIL	NIL	NA	NIL	NA	NIL	NIL	NA	NIL	NA
Female	NIL	NIL	NA	NIL	NA	NIL	NIL	NA	NIL	NA
Workers										
Permanent	9	NIL	NA	9	100	12	NIL	NA	12	100
Male	9	NIL	NA	9	NA	12	NIL	NA	NIL	NA
Female	0	NIL	NA	0	NA	NIL	NIL	NA	NIL	NA
Other than Permanent	454	NIL	NA	454	100	422	68	16.11	354	83.89
Male	454	NIL	NA	454	100	422	68	16.11	354	83.89
Female	NIL	NIL	NA	NIL	NA	NIL	NIL	NA	NIL	NA

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	04	NIL (Only sitting fees paid)	01	NIL (Only sitting fees paid)
Key Managerial Personnel	03	65.14 lacs	01	4.32 lacs
Employees other than BOD and KMPs	196	5.75 lacs	09	4.32 lacs
Workers	09	2.78 lacs	00	NIL

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Redressal mechanism has been provided to our stakeholders by encouraging them to raise concerns or make disclosures as and when needed.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Sexual Harassment	NIL	NIL	NA	NIL	NIL	NA
Discrimination at work place	NIL	NIL	NA	NIL	NIL	NA
Child labour	NIL	NIL	NA	NIL	NIL	NA
Forced labour/ Involuntary labour	NIL	NIL	NA	NIL	NIL	NA
Wages	NIL	NIL	NA	NIL	NIL	NA
Other human rights related issues	NIL	NIL	NA	NIL	NIL	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have POSH Committee in the Company and the Committee have internal code of conduct to be followed if any discrimination or harassment case is noticed.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessment for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NA
Forced labour/ Involuntary labour	NA
Sexual Harassment	NA
Discrimination at work place	NA
Wages	NA
Others – please specify	NA

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. NA

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

We are committed to providing a safe and positive work environment to our employees. Employees have access to several forums where they can highlight matters or concerns faced at the workplace. There has been no human rights grievances/ complaints resulting in introduction/modification of business process.

2. Details of the scope and coverage of any Human rights due-diligence conducted.
No external due diligence conducted.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
Yes
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	0
Forced labour/ Involuntary labour	0
Sexual Harassment	0
Discrimination at work place	0
Wages	0
Others – please specify	0

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. NA

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1003956	1063530
Total fuel consumption (B)	10400	15600
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	1014356	1079130
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00056 (1014356/1801457194)	0.00075 (1079130/1439855492)
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. NO
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	21693	17385
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	21693	17385
Total volume of water consumption (in kilolitres)	21693	17385
Water intensity per rupee of turnover (water consumed/ turnover)	0.000012 (21693/1801457194)	0.000012 (17385/1439855492)
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. No, the Company doesn't have mechanism for Zero Liquid Discharge, but we use such waste water for floor washing etc.
- Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: Not applicable

Parameter	Please specify unit	FY 2023	FY 2022
NOx	NA	NA	NA
Sox	NA	NA	NA
Particulate matter (PM)	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. NA
- Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total waste generated (in metric tonnes)		
Plastic waste (A)	0.22	28.762
E- waste (B)	1.16	NA
Bio – medical waste (C)	0	NA
Construction and demolition waste (D)	0	NA
Battery waste (E)	0.23	NA
Radioactive waste (F)	0	NA
Other Hazardous waste. Please specify, if any. (G)	0.77	1.20
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	4.40	NA
Total (A+B + C + D + E + F + G + H)	6.78	29.962

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	NA	NA
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	6.78	29.962
Total	6.78	29.962

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

After a thorough examination of the project's activities, the major types of wastes to be expected are determined. The type and quantity of waste generated are segregated and kept in designated yards according to waste classes. Prior to disposal, consideration for reuse or recycling is considered, depending on the qualities of the waste. If any waste needs to be treated before being disposed of, it is given to an approved vendor.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	1003956	1063530
Total fuel consumption (B)	10400	15600
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	1014356	1079130
From non - renewable sources		
Total electricity consumption (D)	NA	NA
Total fuel consumption (E)	NA	NA
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non - renewable sources (D+E+F)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Being machinery manufacturer, no process water required and no such treatment necessary.

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilo litres)		
(i) To Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Sent to third - parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Seawater / desalinated water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: Baska, Halol
(ii) Nature of operations: Manufacturing of food processing machinery

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	21693	17385
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	21693	17385
Total volume of water consumption (in kilolitres)	21693	17385
Water intensity per rupee of turnover (water consumed/ turnover)	0.000012 (21693/1801457194)	0.000012 (17385/1439855492)
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Sent to third parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Into Seawater / desalinated water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of CO2 equivalent</i>	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	NA	NA	NA

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
 Yes. We have a well-established business continuity and management framework. All applications hosted on our premises have multiple backup solutions for power, connectivity etc. We have internal mechanism for continuity of business and for controlling any adverse impact directly to the company. No web-link available for the same.
8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. NA
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. Five
 b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Gujarat Employers Organisation (GEO)	State – Gujarat
2	Federation of Gujarat Industries (FGI)	State – Gujarat
3	Confederation of Indian Industry (CII)	India
4	Supplier Ethical Data Exchange (SEDEX)	International
5	Engineering Export Promotion Council India	India

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
NA	NA	NA

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Web link, if available
	NA	NA	NA	NA	NA

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by external independent agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
NA	NA	NA	NA	NA	NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
NA	NA	NA	NA	NA	NA	NA

- Describe the mechanisms to receive and redress grievances of the community. The Company has inhouse grievance mechanism in various departments.
- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023	FY 2022
Directly sourced from MSMEs/ small products	73.67%	32.26%
Sourced directly from within the district and neighbouring districts	56.22%	63.84%

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (in INR)
1	NA	NA	NA

- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) NO
 - From which marginalized /vulnerable groups do you procure? NA
 - What percentage of total procurement (by value) does it constitute? NA
- Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit (Yes/No)	Shared	Basis of calculating benefit share
1	NA	NA	NA		NA

- Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the case	Corrective action taken
NA	NA	NA

- Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1			

CSR Expenditure incurred on various CSR Projects is displayed under separate CSR Annexure.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
Customers are provided with mechanisms to report complaints or feedback. Customers are provided with a dedicated email id where all concerns / grievances can be raised.
We have separate Shareholders Grievance Redressal mechanism which sets out the mechanism to receive, address and ensure that shareholders complaints are dealt with on priority.
- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: NA

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 2023		Remarks	FY 2022		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-Security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other	NIL	NIL	NA	NIL	NIL	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company have internal framework / policy on cyber security and risks related to data privacy. The company have quarterly audit for data maintenance, cyber support system and report is generated for betterment to work on cyber security and risks. No web-link available.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. None

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information related to products and services of the entity can be easily accessible on www.axtelindia.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable as no such event occurred.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.

No.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No. Consumers queries are solved as and when any event occurs.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact - None

b. Percentage of data breaches involving personally identifiable information of customers - NA

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, 2023, 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 notes to the financial statement, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 standalone 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 audit 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.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Management's Responsibility for the Financial Statements

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

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

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 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.
 - e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the matter to be included in the Auditors' Report in accordance with requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company 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.
 - iv. On the basis of written representations received from the management ;
 - (a) it is stated that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (b) it is stated that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations of management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For **VRCA & ASSOCIATES**
Chartered Accountants
FRN: 104727W

(CA. V K SHASTRI)
Partner

Place: Vadodara
Date: 18/05/2023

Membership No. : 042774
UDIN : 23042774BGWSCY6624

“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, 2023. To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- 1) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment and relevant details of right-of-use of assets and also that of the intangible assets.
 - (b) The Property Plant and Equipment 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 property plant and equipment has been physically verified by the management during the year and no material discrepancies between the books records and the physical property plant and equipment have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) There are no proceedings that have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals and also the coverage and the procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification of the inventory as compared to books records were not significant and have been properly dealt with in the books of account.
- (b) The Company has been sanctioned a working capital limits in excess of Rs. 5 crores, from banks on the basis of security of current assets and other properties of the Company. As explained to us the Company submits quarterly certified Stock and Book-Debt statements to the bank which we found to be in agreement with the Books of account of the Company. The Company or the management does not file any other quarterly returns with the Bank.
- 3) (a) The company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties, however the company has given guarantee for the business which is not prejudicial to the company's interest.
- (b) Loans and advances are not in nature of loans and hence the schedule of repayment of principal and payment of interest has not been stipulated and hence there is no amount overdue for more than ninety days.
- (c) There are no loans or advances in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (d) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- 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, 2023 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 2023 which have been deposited under protest as it is disputed, details of which is as follows:

Name of Statute	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 Income Tax, Godhra for Re-assessment under order of ITAT, Ahmedabad

- 8) In our opinion and according to the information and explanations given to us, there are no transactions relating to previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 9) (a) 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.
- (b) In our opinion and according to the information and explanations given to us, the company is not declared as wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.
- (e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, as the company is not having any subsidiaries, associates or joint ventures.

- (f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as the company is not having any subsidiaries, associates or joint ventures hence reporting on clause 3(ix)(f) of the Order is not applicable and hence not commented upon.
- 10) (a) 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 (x)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) 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 (x) (b) of the Order are not applicable and hence not commented upon.
- 11) (a) 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 has been noticed or reported during the year.
- (b) Based upon the audit procedures performed and the information and explanations given by the management, no report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (c) There are no reports of whistle blower which requires attention of auditors hence not considered in this report. Accordingly, the provisions of clause 3 (xi) (c) of the Order are not applicable and hence not commented upon.
- 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 the Ind AS Financial Statements as required by the applicable accounting standards.
- 14) (a) The company has an internal audit system commensurate with the size and nature of its business and reputed firm of Chartered Accountants have undertaken Internal Audit and furnished their report
- (b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor while conducting audit procedure.
- 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.
- 17) The Company has not incurred any cash losses in the Financial Year and in the immediately preceding financial year therefore provisions of clause 3 (xvii) of the Order are not applicable to the Company.
- 18) There has been no resignation of the statutory auditors during the year.
- 19) In our opinion, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and as per the auditor's knowledge of the Board of Directors and management plans, we are having the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- 20) (a) The Company has no Ongoing CSR Project within the meaning of section 135 and that the Company has spent full amount on CSR due as calculated under section 135 during the last financial year therefore the provisions of clause 3 (xx) of the Order are not applicable to the Company.
- (b) There are no amount remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, hence this clause is not applicable for the company.
- 21) There are No subsidiary or Associate companies of this Company which require preparation and presentation of Consolidated Financial Statement therefore provisions of clause 3 (xxi) of the Order are not applicable to the Company.

For **VRCA & ASSOCIATES**

Chartered Accountants

FRN: 104727W

(CA. V K SHASTRI)

Partner

Place: Vadodara

Date: 18/05/2023

Membership No. : 042774

UDIN : 23042774BGWSCY6624

"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, 2023

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, 2023 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, 2023, based on the criteria for internal control over financial reporting established by the Company considering the essential Components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **VRCA & ASSOCIATES**

Chartered Accountants

FRN: 104727W

(CA. V K SHASTRI)

Partner

Membership No. : 042774

UDIN : 23042774BGWSCY6624

Place: Vadodara

Date: 18/05/2023

BALANCE SHEET AS AT MARCH 31ST, 2023

Particulars	Note No.	As at 31 ST March, 2023		As at 31 ST March, 2022	
		Rs. In lacs	Rs. In lacs	Rs. In lacs	Rs. In lacs
(A) ASSETS :					
(1) Non - current assets					
(a) Property Plant and Equipment	1		1,231.27		1,371.61
(b) Other Intangible Assets	1		53.65		71.90
(c) Capital work in progress	1		473.65		32.63
(d) Financial Assets					
(i) Investments	2	-	-	-	-
(ii) Trade receivables	-	-	-	-	-
(iii) Loans and advances	3	414.06	-	412.43	-
(iv) Others	4	4.24	418.30	4.24	416.67
(e) Deferred tax assets (Net)	5		41.86		50.43
(f) Other non current assets	6		0.33		10.39
Total Non-current Assets			2,219.07		1,953.64
(2) Current Assets					
(a) Inventories	7		4,502.33		3,660.65
(b) Financial Assets					
(i) Investments	2	3,449.58	-	1,809.53	-
(ii) Trade receivables	8	6,156.32	-	4,589.69	-
(iii) Cash and cash equivalents	9	1,154.53	-	615.38	-
(iv) Bank Balances other than above	-	-	-	-	-
(v) Loans and advances	3	1.72	-	1.87	-
(vi) Other financial Assets	4	13.05	10,775.21	111.63	7,128.10
(c) Current Tax Assets (Net)	10		63.60		117.57
(d) Other current assets	6		343.85		217.87
Total Current Assets			15,685.00		11,124.19
Total Assets			17,904.07		13,077.83
(B) EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	11		1,615.48		1,615.48
(b) Other Equity	12		8,000.25		6,466.90
Total Equity			9615.73		8082.38
Liabilities					
(1) Non - current liabilities					
(a) Financial Liabilities					
(i) Borrowings	13	-	-	-	-
(ii) Trade payables	-	-	-	-	-
(iii) Other financial Liabilities	-	-	-	6.00	6.00
(b) Provisions	17		269.01		433.54
(c) Other Non-current liabilities	-		-		-
Total Non-current Liabilities			269.01		439.54
(2) Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	13	-	-	41.02	-
(ii) Trade payables	14	-	-	-	-
(-) Dues to MSME Enterprise		3,001.19	-	2,186.69	-
(-) Dues to Other Than MSME Enterprise		1,019.82	-	912.18	-
(iii) Other financial Liabilities	15	451.68	4,472.69	422.66	3,562.54
(b) Other Current liabilities	16		3,502.45		941.54
(c) Provisions	17		44.19		51.83
Total Current Liabilities			8,019.33		4,555.91
Total Equity and Liabilities			17,904.07		13,077.83
Significant Accounting policies	30(A)		-		-
Notes on Financial statements	1 to 30(B)				

In Accordance with our Report of even date

For and on behalf of the Board

For VRCA & ASSOCIATES

Chartered Accountants

Firm number: 104727W

(CA V.K.SHASTRI)

Partner/M.No. 042774

Date: 18.05.2023

Place : Vadodara

(AJAY DESAI)

Executive Director

DIN : 00452821

(AJAY PARIKH)

Executive Director

DIN : 00453711

(PRERNA BOKIL)

Company Secretary

(RAJENDRA BHAVSAR)

Chief Financial Officer

Date: 18.05.2023

Place : Nulpura

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2023

Particulars	Note	For the year ended on		For the year ended on	
		31 st March, 2023		31 st March, 2022	
	No.	Rs. In lacs	Rs. In lacs	Rs. In lacs	Rs. In lacs
INCOMES					
I. Revenue from Operations	18		18,014.57		14,398.55
II Other Income	19		367.48		313.83
III Total Income (I + II)			18,382.05		14,712.38
IV EXPENSES					
a Cost of materials consumed	20	10,271.23		7,991.24	
b Purchase of Stock-in-Trade					
c Changes in inventories of finished goods, Work in Progress and Stock in Trade	21	-703.40	9,567.83	-361.11	7,630.13
d Employee benefits expense	22		3,228.16		2,926.59
e Finance costs	23		109.22		47.81
f Depreciation and amortization expense	24		241.20		284.46
g Other expenses	25		2,940.00		2,138.02
Total Expenses			16,086.41		13,027.01
V Profit/(Loss) before exceptional and tax (III-IV)			2,295.64		1,685.37
VI Exceptional Items : Insurance Maturity			-		196.87
VII Profit before Tax (V-VI)			2,295.64		1,882.24
VIII Tax expense:					
(1) Current tax (Refer Note No. 9 in other notes)			556.79		508.69
(2) Deferred tax (asset-/liability+)			8.57		-9.73
IX Profit/(Loss) for the year (IX - XII)			1,730.28		1,383.28
X Other Comprehensive Income					
(i) Items that will be reclassified to profit or loss					
Exchange Rate Fluctuation on conversion of Balances and Depreciation of P.P.E Revaluation			-		-
Re-measurement of gain/ Loss on gratuity Plan			168.59		61.56
(ii) Income tax relating to items that will be reclassified to profit or loss			-42.43		-15.49
XI Total Other Comprehensive Incomes for the period (XIII+XIV)			126.16		46.07
XII Total Comprehensive Income for the year (IX+XI)			1,856.45		1,429.35
XIII Earning per equity share:	28				
(1) Basic			10.71		8.56
(2) Diluted			10.71		8.56
Significant Accounting policies	30(A)				
Notes on Financial statement	1 to 30(B)				

In Accordance with our Report of even date

For and on behalf of the Board

For VRCA & ASSOCIATES

Chartered Accountants

Firm number: 104727W

(CA V.K.SHASTRI)

Partner/M.No. 042774

Date: 18.05.2023

Place : Vadodara

(AJAY DESAI)

Executive Director

DIN : 00452821

(AJAY PARIKH)

Executive Director

DIN : 00453711

(PRERNA BOKIL)

Company Secretary

(RAJENDRA BHAVSAR)

Chief Financial Officer

Date: 18.05.2023

Place : Nulpura

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2023

(Amount Rs in lacs)

Particulars	For the year ended on 31 st March, 2023	For the year ended on 31 st March, 2022
Profit before taxation - continuing operations	2,295.64	1,882.24
Adjustments for:		
Depreciation and amortization expense	241.20	284.46
Loss/gain on sale/W-off of Property Plant and Equipments /MF	-13.68	-86.99
Loss/Gain on Current Fin-Assets measured at FVTPL	-72.66	64.85
Loss/Gain on Sale of MFs	-67.40	
Dividends received	-	-
Interest received	-14.31	-29.02
Finance Costs	109.22	47.81
Exceptional /Extra Ordinary Items :	-	-196.87
Provision for doubtful debts and advances (Net)		-
Net Exchange differences		-
	182.37	84.24
Operating profit before working capital changes	- 2,478.01	1,966.48
Changes in Working Capital :		
(Increase)/ decrease in trade and other receivables	-1,531.49	-2,712.97
(Increase)/ decrease in inventories	-841.68	-1,405.01
Increase/(decrease) in trade payables and other Liabilites	3,466.06	1,349.06
	- 1,092.90	-2,768.92
Cash generated from operations	3,570.91	-802.44
Income taxes paid/refund (Net)	556.79	508.69
Cash flow before extraordinary item	3,014.12	-1,311.13
Proceeds from extraordinary item	-	196.87
Net cash from operating activities	3,014.12	-1,114.27
2 Cash flows from investing activities		
Purchase of property, plant and equipment (including Capital Work in Process)	-524.98	-178.17
Proceeds from sale of property, plant and equipment	15.04	0.26
Proceeds from Sale of Non - Current Investments	4,900.00	5,555.62
Purchase of Investments	-6,400.00	-3,958.29
Placement / Invetment in Bank Deposits		
Encashment/ Redemption of Bank deposits		
Interest received	14.31	29.02
Dividend received	-	-
Net cash from investing activities	-1,995.63	1,448.44

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2023

(Amount Rs in lacs)

Particulars	For the year ended on 31 st March, 2023	For the year ended on 31 st March, 2022
Cash flows from financing activities		
Proceeds from long term borrowings	-6.00	-26.66
Proceeds from short term borrowings	-	-
Repayment of Short term borrowings	-41.02	10.95
Repayment of finance lease obligation		
Interest and Finance cost paid	-109.22	-47.81
Dividend paid and DDT	-323.10	-484.64
Net cash from financing activities	<u>-479.34</u>	<u>-548.15</u>
Net increase/(decrease) in cash and cash equivalents	539.16	-213.97
Cash and cash equivalents at beginning of reporting period	615.38	829.35
Cash and cash equivalents at end of reporting period	1,154.53	615.38

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	(0)	1,154.53	-	615.38
Short term investments				
Cash and cash equivalents as reported		1,154.53		615.38
Effect on exchange rate changes				
Cash and cash equivalents as restated		1,154.53		615.38

In Accordance with our Report of even date

For and on behalf of the Board

For VRCA & ASSOCIATES

Chartered Accountants

Firm number: 104727W

(CA V.K.SHASTRI)

Partner/M.No. 042774

Date: 18.05.2023

Place : Vadodara

(AJAY DESAI)

Executive Director

DIN : 00452821

(AJAY PARIKH)

Executive Director

DIN : 00453711

(PRERNA BOKIL)

Company Secretary

(RAJENDRA BHAVSAR)

Chief Financial Officer

Date: 18.05.2023

Place : Nulpura

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2023

(Rs. In lacs)

(a) **Equity Share Capital**

Particulars	Refer Note	Number of Shares	Amount (Rs.)
Balance as at 1 st April, 2021		161.55	1,615.48
Changes in equity Share Capital during the year	11	-	
Balance as at 31 st March, 2022		161.55	1,615.48
Changes in equity Share Capital during the year	11	-	
Balance as at 31 st March, 2023		161.55	1,615.48

(b) **Other Equity**

(Rs. In lacs)

Particulars	Attributable to owners of Company Reserves & Surplus			Total Other Equity (Rs.)
	Capital Reserve (Rs.)	Other Reserves (Rs.)	Retained earnings (Rs.)	
Balance as at 31st March 2021/1st April, 2021	25.00	20.55	5,476.65	5,522.20
Total Comprehensive Income of the half-year ended 31st March,2022				
Profit of the year	-	-	1,383.28	1,383.28
Other Comprehensive Income - Net of Tax			46.07	46.07
Payment of Dividend (Final Dividend 20-21)	-	-	-484.64	-484.64
Balance as at 31st March, 2022	25.00	20.55	6,421.35	6,466.90
Total Comprehensive Income of the half-year ended 31st March,2023				
Profit of the quarter ended 31.03.2023	-	-	1,730.28	1,730.28
Other Comprehensive Income - Net of Tax	-	-	126.16	126.16
Payment of Dividend - Final dividend 21-22	-	-	-323.10	-323.10
Balance as at 31st March, 2023	25.00	20.55	7,954.70	8,000.25

In Accordance with our Report of even date

For and on behalf of the Board

For VRCA & ASSOCIATES

Chartered Accountants

Firm number: 104727W

(CA V.K.SHASTRI)

Partner/M.No. 042774

Date: 18.05.2023

Place : Vadodara

(AJAY DESAI)

Executive Director

DIN : 00452821

(AJAY PARIKH)

Executive Director

DIN : 00453711

(PRERNA BOKIL)

Company Secretary

(RAJENDRA BHAVSAR)

Chief Financial Officer

Date: 18.05.2023

Place : Narpura

Note no. 30(A) forming part of the Financial Statements**CORPORATE INFORMATION**

Axtel Industries Limited was incorporated in 1991 as public limited Company and presently has registered office at P.O. Narpura, 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 processing 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 tax-es/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 per-formance 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 de-livery 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 ba-sis 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 capital-ized 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 en-acted 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 en-acted 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 ad-justed 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 state-ments.

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 of gratuity (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 fi-nance 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 rep-resenting 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.

AXTEL INDUSTRIES LIMITED

	Rs. In lacs	
Particulars	As at 31 st March, 2023 (Rs.)	As at 31 st March, 2022 (Rs.)
2 INVESTMENTS		
Non - current Investment - Unquoted		
<i>Investment in Mutual Funds (at FVTPL)</i>	No of Units	Amount
	No of Units	Amount
(1) Mutual Fund - Quarterly Dividend - Regular Reinvestment	-	-
(2) Mutual Fund Investment - Daily Dividend	-	-
Total - NON- Current Investment	-	-
Current Investment - Unquoted	-	-
<i>Investment in Mutual Funds (at FVTPL)</i>		
(1) Mutual Fund Investment - Daily Dividend	13.74	3,449.58
(2) Mutual Fund Trust - Monthly Interest Payment	-	-
Total - Current Investment	3,449.58	1,809.53
Financial Assets : <i>(Unsecured Considered Good unless otherwise stated)</i>		
3 LOANS & ADVANCES		
Non - current		
Loans/Advance to employees		
Earmarked Funds	406.96	405.09
Deposits	7.09	7.33
Advance Given Against Orders	-	-
Total Non-Current	414.06	412.43
Current		
Loans/Advance to employees	-	-
Earmarked Funds	1.72	1.87
Deposits	-	-
Advance Given Against Orders	-	-
Total Current	1.72	1.87
4 OTHER FINANCIAL ASSETS		(Rs. In lacs)
Non - current		
Duty Drawback receivable	4.24	4.24
Other financial assets	-	-
Total Non-Current	4.24	4.24
Current		
Duty Drawback / MEIS receivable	13.05	111.63
Interest Accrued on Deposit	-	-
Total Current	13.05	111.63

AXTEL INDUSTRIES LIMITED

	(Rs. In lacs)	
Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
5 DEFERRED TAX (NET) AND MOVEMENT OF DEFERRED TAX ASSET/LIABILITIES		
Net Defererd Tax Asset on at beginning of year	50.43	40.70
Add : Property, Plant and Equip	5.24	9.76
: 43B Disalloawanc and Allowances	(13.81)	(0.02)
Total : Deferred Tax Assets on 31.03.2023	41.86	50.43
LESS :		
Deferred Tax Liabilites	-	-
Net Deferred Tax Assets	41.86	50.43
6 OTHER ASSETS		
Non - current		
Advance given		
Deposit/balance with Statutory Authorities	0.33	10.39
Advance GivenAgainst Orders	-	-
Total- Non-Current	0.33	10.39
Current		
Prepaid Expenses	143.62	70.61
Loans/Advance to employee and others	10.78	20.04
Advance GivenAgainst Orders	189.45	127.22
Interest Accrued on Deposits :	-	-
Deposit/balance with Statutory Authorities	-	-
Total - Current	343.85	217.87
7 INVENTORIES		
<i>(at lower of the cost and Net realisable Value)</i>		
Raw Materials and Componenets	2,619.12	2,480.84
Work - in - Progress	1,883.21	1,179.81
Total	4,502.33	3,660.65
8 TRADE RECEIVABLES		
<i>(Unsecured unless otherwise stated)</i>		
Non - current Receivales	-	-
Current Receivables		
- Considered Good	6,212.11	4,645.48
- Considered Doubtful	-	-
Less : Allowance for Doubtful Debts	(55.78)	(55.78)
Total	6,156.32	4,589.69
Movement in the expected Credit Loss Allowance		
Balance at the Beginning of the year	(55.78)	(55.78)
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. Trade Receivables ageing schedule as at 31st March,2023

	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables -considered good	6,120.94	20.52	6.42	0.00	8.44	6,156.32
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii)	Disputed trade receivables considered good	-	-	-	-	55.78	55.78
(iv)	Disputed trade receivables considered doubtful	-	-	-	-	-	-
	Total	6,120.94	20.52	6.42	0.00	64.23	6,212.11

d. Trade Receivables ageing schedule as at 31st March,2022

	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade receivables -considered good	3,530.13	1,049.84	0.00	6.18	3.55	4589.69
(ii)	Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii)	Disputed trade receivables considered good	-	-	-	-	55.78	55.78
(iv)	Disputed trade receivables considered doubtful	-	-	-	-	-	-
	Total	3,530.13	1,049.84	0.00	6.18	59.33	4645.48

(Rs. In lacs)

Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
9 CASH AND CASH EQUIVALENTS		
- Cash on hand	1.04	0.73
Balance with Banks		
- In Current Account	300.50	192.06
- In EEFC Account	570.84	114.96
- In Fixed Deposit Account (with Original Maturity of less than 12 months)	282.16	307.62
Total- Non-Current	1154.53	615.38
10 Current Tax Assets /Liabilites(Net)		
Current		
Advance Tax/Tax deducted At Source	618.51	620.73
Less : Current Tax Liabilies		
Provision for taxes (*)	-554.91	-503.16
Total	63.60	117.57

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

11 Equity Share Capital

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number	AMOUNT (Rs)	Number	AMOUNT (Rs)
Authorized:				
2,00,00,000 Equity shares of Rs.10 /- each	200.00	2,000.00	200.00	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

AXTEL INDUSTRIES LIMITED

At the beginning of the reporting period	161.55	1,615.48	161.55	1,615.48
- Issued during the reporting period	-	-	-	-
- Bought back during the reporting period	-	-	-	-
At the close of the reporting period	161.55	1,615.48	161.55	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 31.03.2023 Nos	As at 31.03.2022 Nos
1 Ajay Desai	9.22	9.22
2 Shivash Business Advisory LLP	31.00	31.00
3 Chaykar Business Advisory LLP	30.55	30.55

Shares held By Promoters at the end of year

Sr. No.	Name of Promoter	No of Shares as on 31.03.2023	% of Total Shares as on 31.03.2023	% Change during the year F.Y. 2022-23	No of Shares as on 31.03.2022	% of Total Shares as on 31.03.2022	% Change during the year F.Y. 2021-22
1	Ajay Naishad Desai	9.22	5.71	NIL	9.22	5.71	NIL
2	Ajay Nalin Parikh	4.66	2.88	NIL	4.66	2.88	NIL
3	Karan Ajay Parikh	3.70	2.29	NIL	3.70	2.29	NIL
4	Chhaya Parikh	1.43	0.89	NIL	1.43	0.89	NIL
5	Rati Ajay Desai	0.13	0.08	NIL	0.13	0.08	NIL
6	Shivash Business Advisory LLP	31.00	19.19	NIL	31.00	19.19	NIL
7	Chaykar Business Advisory LLP	30.55	18.91	NIL	30.55	18.91	NIL

(Rs. In lacs)

Particulars	As at 31.03.2023 (Rs. In lacs)	As at 31.03.2022 (Rs. In lacs)
12 OTHER EQUITY		
Other Equity		
Reserves and Surplus(*)		
Capital Reserve	25.00	25.00
Other Reserves	20.55	20.55
Retained earnings	7,828.54	6,375.28
Other Comprehensive Income Reserve	-	-
OCI	126.16	46.07
Total	8,000.25	6,466.90

(*) Refer Note 32(3)

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(Rs. In lacs)

Particulars	As at 31.03.2023 (Rs. In lacs)	As at 31.03.2022 (Rs. In lacs)
13 BORROWINGS		
(A) Secured		
<u>Term Loans</u>		
Non - current		
- from banks	-	-
- from Others	-	-
Total Non-Current	-	-
Current		
- from banks		
Working Capital Loan - Cash Credit	-	8.36
Current Maturities of Long Term Borrowings	-	32.66
- from Others	-	-
Inter Corporate Deposit	-	-
Total Current	-	41.02
(B) Unsecured		
Non - current		
Total Non-Current	-	-
Current	-	-
Total Current	-	-
Additional Information:		
Details of security for secured loans		
a. Rs. NIL (P.Y. Rs 8,35,984) secured Working Capital loan from bank Secured by first charge on hypothecation of Plant and machinery, Book Debts and stock and equitable mortgagage of land and building.		
b. Rs. NIL (P.Y. 32,65,654/-) secured Term Loan from bank Secured by first charge on hypothecation of Vehicle Purchase repaid in full		
Terms of repayment of term loans (in P.Y.)		
Term loan from bank is repayable in 60 monthly instalments commencing from 15.01.2018 at an interest rate of 8.31% p.a. In C.Y. ROC charge satisfied. Hypothecation on vehicle in RTO records not removed.		
c. The Company avails facilities from Bank for Working capital for which the Company has submitted Statement of Stock and Book Debts as at year end having values as below		

Particulars	Value as per Statement	Value as per Books	Variance
Value of Stocks	4,502.33	4,502.33	NIL
Value of Books Debts	6,212.11	6,212.11	NIL

(Rs. In lacs)

Particulars	As at 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
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	3,001.19	2,186.69
Total outstanding dues to Other Creditors (except referred above)	1,019.82	912.18
Total - Current	4,021.01	3,098.87

14 Trade Payables (Cont'd)

Trade Payables ageing schedule: As at 31st March, 2023

(Rs. in Lacs)

Outstanding for following periods from due date of payment

Particulars	Outstanding for following periods from due date of payment	
	Less than 1 year	1-2 years More than 3 years
(i) MSME	3,001.19	-
(ii) Others	1,019.82	-
(iii) Disputed dues- MSME	0.00	-
(iv) Disputed dues - Others	0.00	-
Total	4,021.01	-

Trade Payables ageing schedule: As at 31st March, 2022

(Rs. in Lacs)

Outstanding for following periods from due date of payment

Particulars	Outstanding for following periods from due date of payment	
	Less than 1 year	1-2 years More than 3 years
(i) MSME	2,186.69	-
(ii) Others	912.18	-
(iii) Disputed dues- MSME	-	-
(iv) Disputed dues - Others	-	-
Total	3,098.87	-

(Rs. In lacs)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
15 OTHER FINANCIAL LIABILITES		
Non - current	-	6.00
Total- Non-Current	-	6.00
Current		
Interest Accrued but not due	-	-
Trade Deposits-Advances	-	-
Employee Related Liabilites	12.69	12.36
Liabilities for Expenses	218.55	219.82
Unpaid Dividend	220.44	190.48
Total Current	451.68	422.66
16 OTHER CURRENT LIABILITES		
Non - current		
Advance from customers	-	-
Statutory Dues/liabilities	-	-
Total- Non-Current	-	-
Current		
Advance from customers	3,246.61	774.32
Statutory Dues/liabilities	255.84	167.22
Total Current	3,502.45	941.54

AXTEL INDUSTRIES LIMITED

	(Rs. In lacs)	
Particulars	For the year ended on 31 st March, 2023	For the year ended on 31 st March, 2022
17 PROVISIONS		
Non - current		
Provision for Employee benefits	269.01	433.54
Total- Non-Current	269.01	433.54
Current		
Provision for Employee benefits	44.19	51.83
Provision for Indirect Taxes	-	-
Total Current	44.19	51.83
18 REVENUE FROM OPERATIONS:		
a) <u>Sale of products</u>		
i) Machines Manufactured	16,537.14	13,723.34
Sub -Total (a)	16,537.14	13,723.34
b) Other Revenue Income		
i) Scrap	165.98	100.47
ii) installation Commissioning Others Services	1,311.45	574.74
Sub -Total (b)	1,477.43	675.22
Grand -Total (a+b)	18,014.57	14,398.55
19 OTHER INCOME:		
i) Interest income (*)	14.31	29.02
ii) Excise Duty Drawback/Export Incentive	54.03	136.55
iii) Trade discount/Write Back	0.00	24.03
iv) Dividend	0.00	0.00
v) Other Incomes /Rent Income	0.00	0.00
vi) Gain on Foreign Exchange realisation	48.51	37.24
vii) Profit on Sale of Mutual Fund / Assets	67.40	86.99
viii) Net gain on financial assets designated at fair value through profit and loss (*)	72.66	
ix) Profit on Sale of Assets	13.68	
x) Provision of Leave Encashment Not Required	96.90	0.00
Total	367.48	313.83
20 COST OF MATERIALS CONSUMED:		
a) i) Consumption of raw materials	10,271.23	7,991.24
Total	10,271.23	7,991.24
b) Consumption of major raw materials		
i) S.S./M.S. Steel	3,925.54	2,476.04
ii) Others	6,345.69	5,515.19
21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:		
Stocks at the end of the year		
<u>Work in progress</u>		
Various Machinery and Components	1,883.21	1,179.81
Total	1,883.21	1,179.81
<u>Less:</u>		
Stocks at the beginning of the year		
<u>Work in progress</u>		
Various Machinery and Components	1,179.81	818.70
Total	1,179.81	818.70
(Increase)/Decrease in stock	(703.40)	(361.11)

AXTEL INDUSTRIES LIMITED

(Rs. In lacs)

Particulars	For the year ended on 31 st March, 2023	For the year ended on 31 st March, 2022
22 EMPLOYEE BENEFIT EXPENSES:		
i) Salaries and Wages, Allowances	2,737.03	2,469.62
ii) Contribution to provident and other funds	108.89	106.35
iii) Remuneration to whole time directors	300.00	300.00
iv) Staff welfare expenses	82.24	50.62
Total	3,228.16	2,926.59
23 FINANCE COSTS:		
i) Interest expense	34.92	5.61
ii) Other borrowing costs	74.30	42.20
Total	109.22	47.81
24 DEPRECIATION AND AMORTIZATION:		
i) Depreciation	241.20	284.46
Total	241.20	284.46
25 OTHER EXPENSES:		
i) Power and fuel	91.38	92.73
ii) Labour & job work charges	736.57	642.37
iii) Erection & commissioning	1,173.02	575.44
iv) Repairs to buildings	3.30	6.02
v) Repairs to machinery	10.39	15.78
vi) Other Manufacturing Expense	14.10	13.49
vii) Selling expenses		
- Freight Outward (Net)	174.48	124.69
- Other Selling expenses	80.42	47.68
viii) Legal and professional charges	252.05	201.79
ix) Other office Expenses	18.16	17.30
x) Insurance	71.84	38.62
xi) Rates and taxes	0.37	1.48
xii) Repairs others	10.82	11.22
xiii) Travelling Expenses	27.66	6.55
xiv) Conveyance Expenses	142.04	162.76
xv) Security Expense	59.49	44.39
xvi) Payment to the auditors		
- as auditor	4.31	4.50
- for taxation and other matters	0.00	0.00
- for reimbursement of expenses	0.05	0.05
xvii) CSR Activity expenses	40.38	41.28
xviii) Donations	0.00	0.00
xix) Printing & Stationery	12.22	12.95
xx) Postage & Communication	16.95	12.07
xxi) Net Loss on financial assets designated at fair value through profit and loss (*)	0.00	64.85
Total	2,940.00	2,138.02
26 ADDITIONAL INFORMATION:		
a) Value of Imports calculated on CIF basis:		
i) Raw Materials & Services	315.07	185.36
b) Expenditure in foreign currency: (net of withholding tax)		
i) For Purchase of Raw Material, Services and Travel Expenses	344.92	190.99

AXTEL INDUSTRIES LIMITED

c) Particulars	% to total	Amount (Rs. In lacs)	% to total	Amount (Rs. In lacs)
i) Value of imported raw materials, spare parts and components consumed	3.14%	322.81	1.27%	101.47
ii) Value of indigenous raw materials, spare parts and components consumed	96.86%	9948.42	98.73%	7,889.76
Total	100%	10,271.23	100%	7,991.24
d) Earnings in foreign exchange:				
Export of goods/Services calculated on FOB basis		2,050.93		2,480.58
				(Rs. In lacs)

Particulars	For the year ended on 31 st March, 2023	For the year ended on 31 st March, 2022
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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)	2,830.69	1,916.61
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 31.03.2023 (Rs.)	As at 31.03.2022 (Rs.)
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28 EARNINGS PER SHARE:

Profit After Tax item:

Profit for the year after tax expense	1,730.28	1,383.28
---------------------------------------	----------	----------

Less:

Preference dividend payable including dividend tax	-	-
--	---	---

	1,730.28	1,383.28
--	-----------------	-----------------

Weighted average number of equity shares	161.55	161.55
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Basic Earning per share (Rs. per share)	10.71	8.56
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Diluted Earning per share (Rs. per share)	10.71	8.56
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Nominal Value per Share (Rs. per share)	10	10
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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 actuarial 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 separately to buildup the final obligation

AXTEL INDUSTRIES LIMITED

(Rs. In lacs)

I) Reconciliation of Opening and Closing balances of Defined Benefit	For the year ended March 2023		For the year ended March 2022	
	Gratuity benefit	Leave Benefits	Gratuity benefit	Leave Benefits
Defined Benefit Obligation at Beginning of the year	711.50	371.55	682.88	379.39
Liability transferred in/ Acquisitions			-	
Current Service Cost	34.57	11.08	40.67	12.28
Interest Cost	46.36	24.46	41.82	23.33
Actuarial (Gain)/loss				
- Due to Change in financial assumptions	-130.10	-79.03	-19.95	-9.74
- Due to Change in financial assumptions	-	-	-	
- Due to experience adjustments	-39.62	-28.99	-23.62	-22.93
Benefit Paid	-29.21	-8.74	-10.30	-10.78
Defined Benefit Obligation at the end of the year	593.50	290.32	711.50	371.55
II) Reconciliation of Opening and Closing balances of Fair value of plan				
Defined Benefit Obligation at Beginning of the year	521.03	362.94	489.68	340.47
Expected return on Plan Assets	-	-	-	-
Assets transferred in/ Acquisitions	-	-	-	-
Interest Income	35.04	24.32	31.02	22.47
Actuarial (Gain)/loss	-1.12	-0.28	-0.93	-0.61
Employers contribution	1.06	0.24	1.26	0.61
Benefit Paid	-6.70	-	-	-
Fair value of Plan Assets at year end	549.31	387.22	521.03	362.94
Actual return on Plan Assets	33.92	24.04	30.10	21.86
III) Reconciliation of fair value of Assets and Obligations				
Fair value of Plan Assets	549.31	387.22	521.03	362.94
Present Value of Obligation	593.50	290.32	711.50	371.55
Net Defined Benefit Liability[Surplus/(Deficit)]	-44.19	-96.90	-190.47	8.61
IV) Expenses recognised during the year				
In Income Statement				
Current Service Cost	34.57	11.08	40.67	12.28
Net Interest Cost	11.31	0.14	10.79	0.86
Return on Plan Assets	35.04	24.32	31.02	22.47
Net Cost	46.36	24.46	41.82	23.33
In Other Comprehensive Income				
Actuarial (Gain)/ Loss				
- Due to Change in financial assumptions	-130.10	-79.03	-19.95	-9.74
- Due to Change in demographic assumptions			0.00	0.00
- Due to experience adjustments	-39.62	-28.99	-23.62	-22.93
Return on Plan Assets excluding Interest Income	1.12	0.28	0.93	0.61
Net (Income)/Expense for the period recognised in OCI	-168.59		-42.64	
Net (Income)/Expense for the period Not recognised in OCI (as per IND AS - 19) Actuarial Gain		-107.74		-32.06
V) Investment Details				
Insurance Fund	549.31	387.22	521.03	362.94

AXTEL INDUSTRIES LIMITED

(Rs. In lacs)

	For the year ended March 2023		For the year ended March 2022	
	Gratuity Benefit	Leave Benefit	Gratuity Benefit	Leave Benefit
	VI) Actuarial Assumption			
Financial Assumptions				
- Discount rate	7.30%	7.30%	6.70%	6.60%
- Salary Escalation Rate#	7.00% of Employees 0.00 NIL % for Directors	7.00% of Employees 0.00 NIL % for Directors	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

IV) Sensitivity Analysis

Discount rate Sensitivity :	Increase by 0.50%	577.76	283.82	690.27	361.12
	(% Change)	-2.65%	-2.24%	-2.98%	-2.81%
	Decrease by 0.50%	609.98	297.05	733.71	382.39
	(% Change)	2.78%	2.32%	3.12%	2.92%
Salary Growth rate Sensitivity :	Increase by 0.50%	609.68	296.91	733.52	382.31
	(% Change)	2.73%	2.27%	3.09%	2.89%
	Decrease by 0.50%	577.90	283.90	690.26	361.10
	(% Change)	-2.63%	-2.21%	-2.98%	-2.81%
Withdrawal rate (WR) Sensitivity :	Increase by 10% (WRx110%)	593.43	290.62	710.94	371.68
	(% Change)	-0.01%	0.10%	-0.08%	0.03%
	Decrease by 10% (WRx90%)	593.57	290.02	712.11	371.43
	(% Change)	0.01%	-0.11%	0.09%	-0.03%

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(B) 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 Lacs)

Financial Assets and Liabilities	As at 31st March, 2023				As at 31st March, 2022			
	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	415.78	-	-	415.78	414.30	-	-	414.30
Trade Receivables	6,156.32	-	-	6,156.32	4,589.69	-	-	4,589.69
Other Financial Assets	17.29	-	-	17.29	115.87	-	-	115.87
Cash & Cash Equivalents	1,154.53	-	-	1,154.53	615.38	-	-	615.38
Other Bank Balances	-	-	-	-	-	-	-	-
Total	8,043.92			5,735.24	5,735.24			5,735.24
At FVTPL Financial Assets								
Investment in Mutual Funds	3,449.58	-	-	1,809.53	1,809.53	-	-	1,809.53
At FTOCI Financial Assets								
	-	-	-	-	-	-	-	-
At Amortised Cost Financial Liabilities								
Borrowings	0.00	-	-	0.00	41.02	-	-	41.02
Other Financial Liabilities	451.68	-	-	451.68	422.66	-	-	422.66
Trade Payables	4,021.01	-	-	3,098.87	3,098.87	-	-	3,098.87
Total	3,562.55	-	-	3,562.55	3,562.55	-	-	3,562.55
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, 2023 and 31st March, 2022

(Rs. in Lacs)

The following table presents the changes in level 3 items for the year ended 31st March, 2023 and 31st March, 2022 :	
	Mutual Fund Instrument
As at 1 April 2021	3,384.93
Acquisitions	3,958.29
Disposal	5,555.62
Gain/losses recognised in profit or loss	21.92
As at 31st March, 2022	1,809.52
Acquisitions	6,400.00
Disposal	4,900.00
Gain/losses recognised in profit or loss (net)	140.06
As at 31st March, 2023	3,449.58

(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 31 st March, 2023	As at 31 st March, 2022
Total Borrowings	0.00 %	41.02
% 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 31 st March, 2023	As at 31 st March, 2022
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 31 st March, 2023		As at 31 st March, 2022	
	USD	EUR	USD	EUR
Loans availed	-	-	-	-
Trade and Other Payables	16.57	-	-	-
Trade and Other				
Receivables	48.05	247.66	323.50	99.36
Derivatives				
- Forwards	-	-	-	-
Net Exposure	31.48	247.66	323.50	99.36

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

Foreign Currency Exposure

(Rs. In Lacs)

Particulars	As at 31 st March, 2023		As at 31 st March, 2022	
	USD	EUR	USD	EUR
5% Depreciation in INR				
Impact on P&L	1.574	12.383	16.175	4.968
Total	1.574	12.383	16.175	4.968
5% Appreciation in INR				
Impact on P&L	(1.574)	(12.383)	(16.175)	(4.968)
Total	(1.574)	(12.383)	(16.175)	(4.968)

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 2023			
Borrowings	0.00	--	0.00
Trade and other Payables	4,021.01	--	4,021.01
Other Financial Liabilities	451.68	--	451.68
As on 31st March 2022			
Borrowings	41.02	--	41.02
Trade and other Payables	3,098.87	--	3,098.87
Other Financial Liabilities	422.66	--	422.66

(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, 2023 based on Computation of Income as per provisions of the Income Tax Act, 1961.

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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, 2023 and 31st March, 2022 (Rs. In Lacs)

Particulars	For year ended 31 st March, 2023 (Rs.)	For year ended 31 st March, 2022 (Rs.)
Profit and Loss :	2,295.61	1,882.24
Current Tax	554.91	503.16
Tax of Prior year	1.88	5.53
Deferred Tax	8.57	(9.73)
Total Income Tax Expense	565.35	498.96

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

Particulars	For year ended 31 st March, 2023 (Rs.)	For year ended 31 st March, 2022 (Rs.)
Profit before Income Tax expenses	2,295.61	1,882.24
Taxes at the Indian Tax rate i.e. @ 25.168 U/s 115BAA	577.75	473.72
Items giving rise to difference in tax		
- Earlier Year's Tax / Credits/B/f Loss	1.88	5.53
- Timing Difference and Others	(20.71)	(10.29)
- Effect of Non-deductible items	10.59	26.71
- Tax on Other Capital Gain Incomes	12.08	13.02
- Deferred Tax Expenses/(Income)	8.57	(9.73)
Total Income Tax Expense	565.36	498.96

- (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 31 st March, 2023	Amount(Rs) Current Year 31 st March, 2022
a.	Principal amount remaining unpaid to any suppliers as at 31st March	3,001.19	2,186.69
b.	Interest due thereon remaining unpaid to any suppliers as at 31st March	23.53	--
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.

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(12) Payment to Auditors (excluding taxes)

(Rs. In Lacs)

Particulars	Current Year	Previous Year
For Audit & Tax Audit Fees	4.31	4.50
For Other Matters	—	---
TOTAL Rs.	4.31	4.50

(13) Expenditure on CSR Activities

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Amount required to be Spent/ Provided	Rs. 40.38	Rs. 41.28
Amount Spent During the year on		
(a) Construction /Acquisition of an Asset	-	-
(b) For Purpose other than (a) above	Rs. 40.38	Rs. 41.28
Shortfall at the end of the year	(00.00)	(0.00)
Total of Previous years shortfall	Rs. NIL	Rs. NIL
Particulars	Current Year	Previous Year
Nature of CSR Activities		
Helping Promotion of organic lifestyles and Mass awareness and Environ Management and Protection	Rs. 20.13	Rs. 17.10
Helping Handicapped, Blind and Specially abled and elderly person education	Rs. 7.75	Rs. 5.00
Helping Artisans of Handicraft, Cottage industry and marketing their products	NIL	Rs. 10.00
Helping Local Referral Hospital with equipment	Rs. 2.00	Rs. 3.46
Helping Local School with equipment and Computers	NIL	Rs. 5.72
Helping women empowerment and self-employment in low income neighborhood.	Rs. 5.50	NIL
Helping in Indian Language, arts, culture, education and social harmony	Rs.5.00	NIL

(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.

(Rs. In Lacs)

SR. NO.	NAME OF PARTY	NATURE OF RELATION	NATURE OF TRANSACTION	VALUE (Rs.)	
				Current Year	Previous Year
1	Ajay N. Desai	Executive Director	Director's Remuneration	150.0	150.0
2	Ajay N. Parikh	Executive Director	Director's Remuneration	150.0	150.0
3	Morphis Business Advisory LLP	One of the Director is Partner in said LLP	Professional Fees	42.00	42.00
4	Directors	KMP	Sitting Fees	6.80	7.50
5	Rajendra Bhavsar	CFO	Salary	65.14	61.52
6	Prerna Bokil	Company Secretary	Salary	4.34	2.88

(15) 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 its organization structure with respect to its 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.

The Management has considered the possible effects that may arise out of the COVID-19 pandemic in concluding on significant accounting judgments and estimates, inter-alia, recoverability of receivables inventory and other assets based on the information available to date, both internal and external, to the extent relevant, while preparing these financial results as of and for the quarter and year ended March, 2022. There is no material impact on these financial results for the quarter and year ended March

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31, 2022 owing to the pandemic. The eventual outcome of impact of the COVID-19 pandemic may be different from those estimated as on the date of approval these financial results.

(Rs. In Lacs)

Information of Geographies	VALUE (Rs.)	
	Current Year	Previous Year
Revenue from Operations		
-Within India	15,963.64	11,917.98
-Outside India	2,050.93	2,480.58
Total	14,398.56	14,398.56
Current Assets		
- Receivables Within India	5860.61	4,166.83
- Receivable from Outside India	295.71	422.86
Total	6,156.32	4,589.69

(17) Additional Regulatory Information

(a) RATIOS

	Ratio Analysis	Numerator	Denominator	31-Mar-23 Ratio	31-Mar-22 Ratio
1	Current Ratio	Current Assets Inventories Trade Receivables Cash and Bank balances other Receivables/Accruals Loans and Advances Disposable Investments Any other current assets Other Financial Asset Current Tax Asset	Current Liabilities Creditors for goods and services Short term loans Bank Overdraft Cash Credit Outstanding Expenses Provision for taxation Proposed/Unclaimed dividend Other Financial Liabilities Any other current liabilities	1.96	2.44
2	Debt Equity Ratio	Total Liabilities Total Outside Liabilities	Shareholder's Equity Total Shareholders Equity	0.86	0.62
3	Debt Service Coverage Ratio	Net Operating Income Net Profit after tax + non-cash operating expenses like depreciation and other amortizations + Interest+other adjustments like loss on sale of fixed assets, etc.	Debt Service Current Debt Obligation (Interest & Lease payment+ Principal Repayment.	N.A.	52.23
4	Return on Equity Ratio	Profit for the period Net Profit after taxes - preference dividend (if any)	Avg. Shareholders Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	19.55	34.23
5	Inventory Turnover Ratio	Cost of Goods sold (Opening Stock + Purchases) – Closing Stock	Average Inventory (Opening Stock + Closing Stock)/2	2.34	2.58
6	Trade Receivables Turnover Ratio	Net Credit Sales Credit Sales	Average Trade Receivables (Beginning Trade Receivables + Ending Trade Receivables) / 2	3.35	6.27

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	Ratio Analysis	Numerator	Denominator	31-Mar-23	31-Mar-22
7	Trade Payables Turnover Ratio	Total Purchases Annual Net Credit Purchases	Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2	2.90	3.56
8	Net Capital Turnover Ratio	Net Sales Total Sales - Sales Return	Average Working Capital Current Assets - Current Liabilities	2.35	2.19
9	Net Profit Ratio	Net Profit Profit After Tax	Net Sales Sales	9.60	9.61
10	Return on Capital employed	EBIT Profit before Interest and Taxes	Capital Employed * Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	24.24	23.24
11	Return on Investment	Return/Profit/Earnings Income from Investments	Investment ** Time Weighted Average Investment	5.84%	1.52%

- (b) Dividend paid during the year ended March 31, 2023 include an amount of Rs. 2.00 per equity share of Rs. 10 towards final dividend for the year ended March 31, 2022 aggregating to Rs. 323.10 Lacs. Dividends declared by the Company are based on the profit available for distribution
- (c) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

In Accordance with our Report of even date

For and on behalf of the Board

For VRCA & ASSOCIATES

Chartered Accountants

Firm number: 104727W

(CA V.K.SHASTRI)

Partner/M.No. 042774

Date: 18.05.2023

Place : Vadodara

(AJAY DESAI)

Executive Director

DIN : 00452821

(AJAY PARIKH)

Executive Director

DIN : 00453711

(PRERNA BOKIL)

Company Secretary

(RAJENDRA BHAVSAR)

Chief Financial Officer

Date: 18.05.2023

Place : Nulpura

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