

# VAXTEX COTFAB LIMITED

Suiting & Shirting Fabrics

## Vaxtex Cotfab Limited

CIN: L51109GJ2005PLC076930

📍 J-03 (GF to 4th Floor) Tejendra Arcade, Nr. Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmedabad-380023, Gujarat, India.

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✉️ vaxtexcotfab@gmail.com

🌐 www.vaxtexcotfabltd.com

**Date:** 24<sup>th</sup> August, 2023

To,  
The Manager,  
Listing Department,  
National Stock Exchange Limited  
"Exchange Plaza", C-1, Block G,  
Bandra - Kurla Complex,  
Bandra (East),  
Mumbai – 400 051

Dear Sir / Madam,

**Subject: Annual Report 2022-23**

**Ref: Security Id: VCL / Series: BE**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the 18<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 15<sup>th</sup> August, 2023 at 4:00 P.M. through Video Conferencing (VC) / Other Audio Video Means (OAVM).

Kindly take the same on your record and oblige us.

Thanking You.

**For, Vaxtex Cotfab Limited**

**Mithleshkumar Agrawal**  
**Managing Director**  
**DIN: 03468643**

**VAXTEX COTFAB LIMITED**  
**18<sup>TH</sup> ANNUAL REPORT**  
**2022-23**

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### ***Company Information***

<b><u>Board of Directors</u></b>	Mr. Mithleshkumar Agrawal	Managing Director
	Mr. Aakash Thakor	Non – Executive Director
	Mr. Kunjal Soni	Independent Director
	Mr. Pranav Vajani	Independent Director
	Ms. Ziral Soni	Independent Director
	Mr. Digesh Deshaval	Independent Director
<b><u>Audit Committee</u></b>	Mr. Pranav Vajani	Chairperson
	Mr. Aakash Thakor	Member
	Ms. Ziral Soni	Member
<b><u>Nomination and Remuneration Committee</u></b>	Mr. Pranav Vajani	Chairperson
	Mr. Aakash Thakor	Member
	Ms. Ziral Soni	Member
<b><u>Stakeholders' Relationship Committee</u></b>	Mr. Aakash Thakor	Chairperson
	Mr. Pranav Vajani	Member
	Ms. Ziral Soni	Member
<b><u>Key Managerial Personnel</u></b>	Mr. Mithleshkumar Agrawal	Managing Director
	Mr. Pratapsingh Zala	Chief Financial Officer
	Ms. Vinita Keswani	Company Secretary
<b><u>Statutory Auditor</u></b>	M/s. S S R V & Associates, Chartered Accountants, Mumbai	
<b><u>Secretarial Auditor</u></b>	M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad	
<b><u>Share Transfer Agent</u></b>	Bigshare Services Private Limited, A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G. Road, Navrangpura, Ahmedabad – 380 009	
<b><u>Registered Office</u></b>	J-03 (GF to 4 <sup>th</sup> Floor) Tejendra Arcade, Nr, Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmadabad – 380 023	
<b><u>Website</u></b>	<a href="http://www.vaxtextcotfabltd.com">www.vaxtextcotfabltd.com</a>	

## **NOTICE OF THE 18<sup>TH</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 18<sup>th</sup> Annual General Meeting of the Shareholders of **Vaxtex Cotfab Limited** will be held on Friday, 15<sup>th</sup> September, 2023 at 4:00 P.M. through Video Conferencing (VC) / Other Audio Video Means (OAVM) to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2023 and statement of Profit and Loss account together with the notes forming part thereof and Cash Flow Statement for the financial year ended on that date and the reports of the Board of Directors ("The Board") and Auditor thereon.
2. To appoint a director in place of Mr. Aakash Rajeshbhai Thakor (DIN: 07960192) who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT**, Mr. Aakash Rajeshbhai Thakor (DIN: 07960192) who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

3. Appointment of Statutory Auditor of the Company.

To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT**, in accordance with the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, including any statutory modification(s) or re-enactment(s) or modification(s) thereof, as may be applicable and pursuant to the recommendations of the Audit Committee and approval by the Board of Directors of the Company, M/s. SSRV & Associates, Chartered Accountants, (FRN: 135901W), Mumbai, from the conclusion of the 18<sup>th</sup> AGM till the conclusion of 23<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2028 of on such remuneration as may be mutually agreed between the board of directors of the Company and the statutory auditors plus applicable taxes, out-of-pocket expenses, travelling and other expenses, in connection with the work of audit to be carried out by them.

## **SPECIAL BUSINESS:**

4. To approve Borrowing Limits under Section 180 (1) (C) of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**“RESOLVED THAT**, in supersession of earlier resolutions passed by the Company, if any, and pursuant to provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of Company be and is hereby accorded to the Board of Directors of the Company to borrow monies as and when required, from, any Bank and/or other Financial Institution and/or foreign lender and/or anybody corporate/entity/entities and/or authority/authorities and/or through fixed rate notes, syndicated loans, debentures, commercial papers, floating rate notes, suppliers credit, any other securities or instruments, such as financial agencies and/or by way of commercial borrowings from the private short term loans or any other instruments etc. and/or through credit from of financial institution, either in rupees or in such other foreign currencies as may be deemed appropriate for the purpose of business of the Company, notwithstanding the fact that the monies so borrowed and the monies borrowed from time to time apart from temporary loans obtained by the Company exceed the aggregate of the paid up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed Rs. 100 Crores (Rupees Hundred Crores Only) over and above the aggregate of the paid up capital of the Company and its free reserves at any time.”

**“RESOLVED FURTHER THAT**, the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

5. Power under Section 186 of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**“RESOLVED THAT**, pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under (including any statutory modifications or re-enactment(s) thereof, for the time being in force), as amended from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which

term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to give loan to any person or body corporate or give guarantee or provide security in connection with a loan to any other person or body corporate or invest / acquire the securities of any body corporate by way of subscription / purchase or otherwise up to a sum of Rs. 100 Crores (Rupees Hundred Crores Only), notwithstanding that the aggregate of the loan, guarantee or security or investments so far given/provided / made or to be given/provided / made exceeds the limits / will exceed the limits laid down by the Act.”

**“RESOLVED FURTHER THAT,** the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively “transactions”) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction.”

6. To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of such undertakings.

To consider and if thought fit, to pass with or without modification(s) the following Resolution as a **Special Resolution**:

**“RESOLVED THAT,** in supersession of earlier resolutions passed by the Company, if any, and pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors for creation of Charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favor of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional

interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.”

**“RESOLVED FURTHER THAT,** the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.”

**“RESOLVED FURTHER THAT,** the Board of Directors of the Company be and are hereby authorized to finalize the documents for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary for giving effect to the above resolution.”

**Registered Office:**

J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade, Nr,  
Ganjifarak Mill Compound, Nr. Rakhial  
Char Rasta, Rakhial,  
Ahmadabad – 380 023

Place: Ahmedabad  
Date: 24<sup>th</sup> August, 2023

**By the Order of the Board  
Vaxtex Cotfab Limited**

Sd/-  
**Mithleshkumar Agrawal**  
**Managing Director**  
**DIN: 03468643**



### Notes:

1. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022 and December 28, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/ CIR/ P/2020/79, SEBI/HO/ CFD/CMD2/CIR/P/2021/11 and SEBI/HODDHS/P/ CIR/2022/0063 and SEBI/ HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021, May 13,2022 and January 5, 2023, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the 18<sup>th</sup> AGM of the Company is being held on 15<sup>th</sup> September, 2023 at 4:00 P.M. through VC/ OAVM. The deemed venue for the 18<sup>th</sup> AGM shall be the Registered Office of the Company.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and since this AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the 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, Attendance Slip and Route Map are not annexed to this Notice.** Members have to attend and participate in the ensuing AGM through VC/OAVM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to Email at [cs.vaxtex@gmail.com](mailto:cs.vaxtex@gmail.com) and / or at [info@accuratesecurities.com](mailto:info@accuratesecurities.com), a certified copy of the Board Resolution / authorization letter authorizing their representative to attend and vote on their behalf at AGM through E-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), Company website i.e. [www.vaxtextcotfabltd.com](http://www.vaxtextcotfabltd.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021, Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 and MCA Circular No. 02/2022 dated 5<sup>th</sup> May, 2022.
9. The Board of Directors has appointed Mr. Gaurav Bachani (Membership No: A61110, COP No: 22830), Ahmedabad, Practicing Company Secretary, as the Scrutinizer to scrutinize the remote voting and e-voting process in fair and transparent manner.
10. The Scrutinizer will submit his consolidated report to the Chairman, or any other person authorised by him, after completion of scrutiny of the votes cast, and the result of the voting will be announced by the Chairman or any other person authorized by him. The Scrutinizer's decision on the validity of votes cast will be final.
11. The Results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange, where the equity shares of the Company are listed viz. BSE Limited and be made available on its website viz. [www.bseindia.com](http://www.bseindia.com).

## 12. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, 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 be available on website of the Stock Exchange, i.e., National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com), Company website i.e. [www.vaxtextcotfabltd.com](http://www.vaxtextcotfabltd.com) and on the website of NSDL at <https://www.evoting.nsdl.com/>. Annual Report will not be sent in physical form.

13. Members of the Company holding shares, either in physical form or in Dematerialized form as on 18<sup>th</sup> August, 2023 will receive Annual Report for the financial year 2022-23 through electronic mode only.
14. The Register of Members and Share Transfer Books will remain closed from 8<sup>th</sup> September, 2023 to 15<sup>th</sup> September, 2023 (both days inclusive) for the purpose of Annual General Meeting (AGM).
15. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc. to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA) at its following address: Bigshare Share Services Private Limited, A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G. Road, Navrangpura, Ahmedabad – 380 009 Email id: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com).
16. In terms of the provisions of Section 152 of the Act, Mr. Aakash Rajeshbhai Thakor (DIN: 07960192) Director of the Company, who retires by rotation at this Annual General Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company re-commend his re-appointment.
17. Mr. Aakash Rajeshbhai Thakor is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. The other relatives of Mr. Aakash Thakor being shareholders of the Company may be deemed to be interested in the resolutions set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

18. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.
19. 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 electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
20. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred/ traded only in dematerialized form with effect from 1<sup>st</sup> April, 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.
22. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
23. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice as per Regulation 26(4) and 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India.
24. As the AGM is to be held through VC/ OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on [cs.vaxtex@gmail.com](mailto:cs.vaxtex@gmail.com) and / or at [info@accuratesecurities.com](mailto:info@accuratesecurities.com). The same will be replied / made available by the Company suitably.
25. The business set out in the Notice of AGM will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
26. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
27. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
28. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
29. The Company has set 8<sup>th</sup> September, 2023 as the "Cut-off Date" for taking record of the shareholders of the Company who will be eligible for casting their vote on the resolution to be passed in the ensuing 18<sup>th</sup> Annual General Meeting for both E- Voting.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on 12<sup>th</sup> September, 2023 at 9:00 A.M. and ends on 14<sup>th</sup> September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 8<sup>th</sup> September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 8<sup>th</sup> September, 2023.**

## How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li data-bbox="536 882 1378 1397">1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li data-bbox="536 1397 1378 1532">2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li><li data-bbox="536 1532 1378 2045">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held 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 options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li></ol>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
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. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csgauravbachani@gmail.com](mailto:csgauravbachani@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs.vaxtex@gmail.com](mailto:cs.vaxtex@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs.vaxtex@gmail.com](mailto:cs.vaxtex@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ([cs.vaxtex@gmail.com](mailto:cs.vaxtex@gmail.com)). The same will be replied by the company suitably.

## ANNEXURE TO NOTICE

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

#### Item No. 3:

The Board of Directors on the recommendation of Audit Committee, in their meeting held on 24<sup>th</sup> August, 2023, subject to approval of the members appointed M/s. SSRV & Associates, Chartered Accountants, (FRN: 135901W), Mumbai, as Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting till the conclusion of its 23<sup>rd</sup> Annual General Meeting i.e. till the conclusion of Annual General Meeting to be held during the year 2028.

M/s. SSRV & Associates, Chartered Accountants, (FRN: 135901W), Mumbai, have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 144 of the Act.

None of the Directors or key managerial personnel of the Company or their relatives is, in any way concerned or interested in the resolution set out at Item No. 3 of the notice.

The Board commends the ordinary resolution set out at Item No. 3 of the notice for the approval of the members.

#### Item No. 4:

The Chairman informed the Board that as per Section 180(1)(c) of the Companies Act, 2013, the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers, etc. in the ordinary course of business, except with the approval of the Company accorded by a Special Resolution.

The Company borrows funds from the Banks and Financial Institutions for its business and considering the growth of the business, the Board is of the opinion that the Company may require to borrow additional funds for both organic and inorganic growth. In view of the requirements of the increased borrowings requirement in future and to comply with the requirements of section 180(1)(c) or other applicable provisions of the Companies Act, 2013, the members of the Company shall pass a Special Resolution as set out at item No. 4 of the Notice, to enable the Board of Directors to borrow in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the members is being sought to borrow the money up to Rs. 100 Crores (Rupees Hundred Crores Only) in excess of the aggregate of the paid-up share capital and free reserves of the Company, apart from temporary loans obtained from the Company's Bankers, etc. in the ordinary course of business.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180 (1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of this Notice.

#### Item No. 5:

The Chairman informed the Board that as per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for giving loan to any person or body corporate or giving guarantee or providing security in connection with a loan to any other person or body corporate or Invest / acquire the securities of any body corporate by way of subscription / purchase or otherwise in excess of 60% of its paid-up share capital, free reserves and

securities premium account or 100% of its free reserves and securities premium account, whichever is higher.

As on date the aggregate amount of the investments in shares / debentures, loans and guarantee(s) / security(ies) made, given, or provided by the Company to other bodies corporate are within the limits provided in Section 186 of the Companies Act, 2013. However, looking to the future business requirements, the Board feels prudent and desirable to have ad-hoc limit up to which Board can give loan to any person or body corporate or give guarantee or provide security in connection with a loan to any other person or body corporate or invest / acquire the securities of anybody corporate by way of subscription / purchase or otherwise without further approval of Shareholders.

Therefore, the approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to give loan to any person or body corporate or give guarantee or provide security in connection with a loan to any other person or body corporate or invest / acquire the securities of any body corporate by way of subscription / purchase or otherwise, in excess of 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

**Item No. 6:**

The Chairman informed the Board that as per Section 180(1)(a) of the Companies Act, 2013, the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company. In view of the resolution relating to borrowing powers stated in Item No. 6, the Company may have to create further charges / mortgages in favour of the lenders. Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said charges / mortgages.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 6 of this Notice to enable to the Board of Directors to borrow money and create charges / mortgages to secure the borrowings as mentioned in Item No. 4 of this Notice.

**Registered Office:**

J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade, Nr, Ganjifarak  
Mill Compound, Nr. Rakhial Char Rasta, Rakhial,  
Ahmadabad – 380 023

Place: Ahmedabad  
Date: 24<sup>th</sup> August, 2023

**By the Order of the Board  
Vaxtex Cotfab Limited**

Sd/-  
**Mithleshkumar Agrawal**  
**Managing Director**  
**DIN: 03468643**

### Annexure to the Explanatory Statement

1. Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings (“SS-2”) issued by Institute of Company Secretaries of India, in respect of director seeking appointment / reappointment as director under Item No. 2, is as under:

Name of the Director	Mr. Aakash Thakor
Date of Birth	21/10/1992
Date of first Appointment on the Board	12/11/2020
Qualifications	B.Com
Experience/Brief Resume/ Nature of expertise in specific functional areas	Finance
Terms and Conditions of Appointment along with remuneration sought to be paid	N.A
Remuneration last drawn by such person, if any	8.43 Lakhs
No. of Shares held in the Company as on 31 <sup>st</sup> March, 2023	0
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company/ Disclosure of relationships between directors inter-se	N.A
Number of Meetings of the Board attended during the year	12
Directorship / Designated Partner in other Companies / LLPs	3
Chairman/Member of the Committees of Board of other Companies/ Names of listed entities in which the person also holds the directorship and the membership of the Committees of the board	0

## BOARD'S REPORT

To,  
The Members,

Your Directors are pleased to present the 18<sup>th</sup> Annual Report on the Business and Operations of the Company along with the Audited Statement of Accounts for the Financial Year ended on 31<sup>st</sup> March, 2023.

### 1. FINANCIAL RESULT

The financial performance of the Company for the Financial Year ended on 31<sup>st</sup> March, 2023 and for the previous Financial Year ended on 31<sup>st</sup> March, 2022 is given below:

	<b>(Rs. in Lakhs)</b>	
<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Revenue from Operations	7,562.15	6,190.74
Other Income	89.19	37.59
<b>Total Income</b>	<b>7,651.34</b>	<b>6,228.33</b>
<b>Total Expenses</b>	<b>7,690.86</b>	<b>6,027.45</b>
<b>Profit Before Tax</b>	<b>115.89</b>	<b>200.88</b>
Tax Expense:		
Current Tax	2.69	46.62
Deferred Tax	0	5.67
Total Tax expense	2.69	52.29
<b>Profit / Loss for the Period</b>	<b>113.20</b>	<b>148.59</b>
Earnings Per Share (EPS)		
Basic	0.11	0.15
Diluted	0.11	0.15

### 2. OPERATIONS

Total revenue for Financial Year 2022-23 is Rs. 7,651.34 Lakhs compared to the total revenue of Rs. 6,228.33 Lakhs of previous Financial Year. The Company has incurred Profit before tax for the Financial Year 2022-23 of Rs. 115.89 Lakhs as compared to Profit before tax of Rs. 200.88 Lakhs of previous Financial Year. Net Profit after Tax for the Financial Year 2022-23 is Rs. 113.20 Lakhs as against Net Profit after tax of Rs. 148.59 Lakhs of previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

### 3. CHANGE IN NATURE OF BUSINESS, IF ANY

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

### 4. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31<sup>st</sup> March 2023 is available on the Company's website at [www.vaxtextcotfabltd.com](http://www.vaxtextcotfabltd.com).

### 5. BOARD MEETINGS AND ATTENDANCE

The Directors of the Company met at regular intervals at least once in a quarter with the gap between two meetings not exceeding 120 days to take a view of the Company's policies and strategies apart from the Board Matters.

During the year under the review, the Board of Directors met 12 (Twelve) times viz 19<sup>th</sup> April, 2022, 28<sup>th</sup> April, 2022, 1<sup>st</sup> July, 2022, 11<sup>th</sup> July, 2022, 5<sup>th</sup> September, 2022, 11<sup>th</sup> October, 2022, 14<sup>th</sup> October, 2022, 26<sup>th</sup> December, 2022, 7<sup>th</sup> January, 2023, 11<sup>th</sup> January, 2023, 18<sup>th</sup> January, 2023 and 21<sup>st</sup> February, 2023.

## **6. MIGRATION FROM SME EMERGE PLATFORM TO MAIN BOARD PLATFORM**

The Company has migrated from SME EMERGE Platform to Main Board Platform w.e.f. 19<sup>th</sup> April, 2022.

## **7. SUB-DIVISION OF EQUITY SHARES**

In the Financial Year 2022-23 Company has approved Sub Division of existing equity shares from every 1 (One) equity share of Rs. 2/- each into 1 (One) equity shares of Re. 1/- each in the Extra Ordinary General Meeting held on 1<sup>st</sup> February, 2023.

## **8. CHANGE IN SHARE CAPITAL**

### **a) ALTERATION IN AUTHORISED CAPITAL OF THE COMPANY**

The Company in its Extra Ordinary General Meeting held on 20<sup>th</sup> May, 2022 has approved for increase in Authorised Capital of the Company i.e. from existing Rs. 17,00,00,000/- (Rupees Seventeen Crores Only) divided into 8,50,00,000 (Eight Crore Fifty Lakhs) Equity shares of Rs. 2/- (Rupees Two Only) each to Rs. 17,00,00,000/- (Rupees Seventeen Crores Only) divided into 17,00,00,000 (Seventeen Crores) Equity shares of Re. 1/- (Rupee One Only) each ranking pari passu in all respect with the Existing Equity shares of the Company.

### **b) PREFERENTIAL ISSUE**

In the Financial Year 2022-23, Company issued 2,59,17,900 equity shares of Rs. 1/- each issued at a premium of Rs. 3.63/- on a preferential basis for consideration other than cash to Non Promoter (Public Shareholder).

## **9. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134 (3)(c) and Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief the Board of Directors hereby submit that:

- a. In the preparation of the Annual Accounts, for the year ended on 31<sup>st</sup> March, 2023 the applicable accounting standards have been followed and there are no material departure from the same,
- 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 financial year and of the profit of the company for the financial year ended on 31<sup>st</sup> March, 2023.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 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 are operating effectively and
- 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.

## **10. DISCLOSURES RELATING TO HOLDING, SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURES**

The Company has no Holding, Subsidiary, Associate Company and Joint Venture.

## **11. COMMENT ON AUDITORS' REPORT**

There were no qualifications, reservations, adverse remarks or disclaimer made by the Auditors in their report on the financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2023. Furthermore, there were no frauds reported by the Auditors of the Company pursuant to Companies Act, 2013 and the rules made there. Maintenance of cost records as specified under Companies Act, 2013 is not applicable to the Company.

## **12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The details of loans, investment, guarantees and securities covered under the provisions of section 186 of the Companies Act, 2013 are provided in the financial statement.

## **13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 read with rule 8 (2) of the Companies (Accounts) Rules, 2014, is attached as **Annexure - 1**.

## **14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has its Internal Financial Control systems commensurate with operations of the Company. The management regularly monitors the safeguarding of its assets, prevention and detection of frauds and errors, and the accuracy and completeness of the accounting records including timely preparation of reliable financial information.

The Head of Internal Audit together with External Audit consults and reviews the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects.

## **15. RESERVES & SURPLUS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (Rs. In Lakhs)</b>
1.	Profit & Loss Account at the beginning of the year	32.02
2.	Current Year's Profit / (Loss)	113.20
3.	Short Provision of Tax	0
4.	Securities Premium	940.11
	<b>Total</b>	<b>1.085.33</b>

## **16. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of section 135 of the Companies Act, 2013 is not applicable to your Company as the Company does not fall under the criteria limits mentioned in the said section of the Act.

Hence, the Company has not taken voluntary initiative towards any activity mentioned for Corporate Social Responsibility.

## **17. DIVIDEND**

To conserve resources for future prospect and growth of the Company, your Directors regret to declare any dividend for the Financial Year 2022-23 (Previous Year - Nil).

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

There are no material changes and commitments, affecting the financial position of the Company.

## **19. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). During the year under review, there was no unpaid or unclaimed dividend in the "Unpaid Dividend Account" lying for a period of seven years from the date of transfer of such unpaid dividend to the said account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

## **20. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation.

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

The details of conservation of energy, technology absorption etc. as required to be given under section 134(3)(m) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014, is not given as the Company has not taken any major step to conserve the energy etc. Further, there was no foreign exchange earnings and outgo during the financial year 2022-23 (Previous Year – Nil).

## **22. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF THE RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has in place, a mechanism to identify, assess, monitor and mitigate various risks towards the key business objectives of the Company. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

## **23. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Directors and Key Managerial Personnel of the Company are summarized below:



Sr. No.	Name	Designation	DIN / PAN
1.	Mr. Mithleshkumar Agrawal	Managing Director	03468643
2.	Mr. Aakash Rajeshbhai Thakor	Non-Executive Director	07960192
3.	Mr. Pratapsingh Bhoorsingh Zala	Chief Financial Officer	AACPZ3621J
4.	Mr. Pranav Manoj Vajani	Independent Director	09213749
5.	Ms. Ziral Soni	Independent Director	09213763
6.	Mr. Digesh Mansukhlal Deshaval	Independent Director	09218553
7.	Mr. Kunjal Jayantkumar Soni	Independent Director	08160838
8.	Ms. Riddhi Vohra <sup>1</sup>	Company Secretary	BYKPR6523A
9.	Ms. Nidhi Bansal <sup>2</sup>	Company Secretary	DZEPB5499C
10.	Ms. Vinita Keswani <sup>3</sup>	Company Secretary	FDWPK1638E

<sup>1</sup>Ms. Riddhi Vohra has been appointed as Company Secretary of the Company w.e.f. 1<sup>st</sup> July, 2022 and has resigned from the post of Company Secretary of the Company w.e.f. 1<sup>st</sup> April, 2023.

<sup>2</sup>Ms. Nidhi Bansal has resigned from the post of Company Secretary of the Company w.e.f. 30<sup>th</sup> June, 2022.

<sup>3</sup>Ms. Vinita Keswani was appointed as Company Secretary of the Company w.e.f. 15<sup>th</sup> May, 2023.

Apart from the above changes, there were no other changes in the composition of the Board of Directors of the Company during the Financial Year 2022-23 and till the date of Board's Report.

As per Companies Act, 2013 the Independent Directors are not liable to retire by rotation.

#### **24. DECLARATION BY INDEPENDENT DIRECTORS**

Ms. Ziral Soni, Mr. Pranav Vajani, Mr. Kunjal Soni and Mr. Digesh Deshaval Independent Directors of the Company have confirmed to the Board that they meet the criteria of Independence as specified under Section 149 (6) of the Companies Act, 2013 and is qualify to be Independent Director. They also confirmed that they meets the requirements of Independent Director as mentioned under Regulation 16 (1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The confirmations was noted by the Board. During the year 1 (One) Independent Director Meeting was held on 31<sup>st</sup> March, 2023.

#### **25. CORPORATE GOVERNANCE**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - 2**.

#### **26. SECRETARIAL STANDARDS**

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI). The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

#### **27. DEPOSITS**

As per Section 73 of the Companies Act, 2013 the Company has neither accepted nor renewed any deposits during the financial year. Hence the Company has not defaulted in repayment of deposits or payment of interest during the financial year.

## **28. STATEMENT ON ANNUAL EVALUATION MADE BY THE BOARD OF DIRECTORS**

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition, and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board / Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of NRC had one-on-one meetings with each Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the independent directors and the meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

The Board carried out an annual performance evaluation of its own performance and that of its committees and individual directors as per the formal mechanism for such evaluation adopted by the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee.

The performance evaluation of the Chairman, the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The exercise of performance evaluation was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board by way of individual feedback from directors.

The evaluation frameworks were the following key areas:

a) For Non-Executive & Independent Directors:

- Knowledge
- Professional Conduct
- Comply Secretarial Standard issued by ICSI Duties
- Role and functions

b) For Executive Directors:

- Performance as leader
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set investment goal
- Professional conduct and integrity
- Sharing of information with Board.
- Adherence applicable government law

The Directors expressed their satisfaction with the evaluation process.

## **29. MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES**

**a) Vigil Mechanism / Whistle Blower Policy:**

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

**b) Business Conduct Policy:**

The Company has framed "Business Conduct Policy". Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

## **30. LOANS FROM DIRECTOR / RELATIVE OF DIRECTOR**

During the year under review, the Company has not entered into any materially significant related party transactions which may have potential conflict with the interest of the Company at large. Suitable disclosures as required are provided in AS-18 which is forming the part of the notes to financial statement.

## **31. PARTICULARS OF EMPLOYEES**

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the Employees of the Company has received remuneration above the limits specified in the Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2022-23.

### 32. STATUTORY AUDITOR

M/s. SSRV & Associates, Chartered Accountants, (Firm's Registration No. 135901W), Mumbai, were appointed as the Statutory Auditors of the Company. The Auditor's report for the financial year ended 31<sup>st</sup> March, 2023 has been issued with an unmodified opinion, by the Statutory Auditors.

The term of Auditor will be expired in the ensuing AGM. The Board recommends appointment of M/s. SSRV & Associates, Chartered Accountants, (Firm's Registration No. 135901W), Mumbai as Statutory Auditor of the Company for the period of 5 (Five) years from the conclusion of the 18<sup>th</sup> AGM till the conclusion of 23<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2028 to the Members for their approval in ensuing AGM. The Company has received the Consent Letter cum Eligibility Certificate from the Auditor for their appointment as the Statutory Auditor. A resolution seeking their appointment forms part of the notice.

### 33. SECRETARIAL AUDITOR

The Board appointed M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad to conduct Secretarial Audit for the Financial Year 2022-23. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2023 is annexed herewith marked as **Annexure - 3** to this Report.

### 34. DISCLOSURES

#### A. Composition of Audit Committee:

During the year under review, meetings of members of the Audit committee as tabulated below, was held on 28<sup>th</sup> April, 2022, 11<sup>th</sup> July, 2022, 11<sup>th</sup> October, 2022, 14<sup>th</sup> October, 2022, 26<sup>th</sup> December, 2022 and 11<sup>th</sup> January, 2023 the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Pranav Vajani	Chairman	6	6
Ms. Ziral Soni	Member	6	6
Mr. Aakash Thakor	Member	6	6

During the year all the recommendations made by the Audit Committee were accepted by the Board.

#### B. Composition of Nomination and Remuneration Committee:

During the year under review, meetings of members of Nomination and Remuneration Committee as tabulated below, was held on 1<sup>st</sup> July, 2022 and 11<sup>th</sup> January, 2023 and the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Pranav Vajani	Chairman	2	2
Ms. Ziral Soni	Member	2	2
Mr. Aakash Thakor	Member	2	2

### C. Composition of Stakeholders Relationship Committee:

During the year under review, meetings of members of Stakeholders' Relationship committee as tabulated below, was held on 26<sup>th</sup> December, 2022 and 11<sup>th</sup> January, 2023 and the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Aakash Thakor	Chairman	2	2
Ms. Ziral Soni	Member	2	2
Mr. Pranav Vajani	Member	2	2

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

The Company has always been committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as confirmed by the Internal Complaints Committee as constituted by the Company.

### **36. MAINTENANCE OF COST RECORDS**

The provisions relating to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are not applicable to the Company and accordingly such accounts and records are not required to be maintained.

### **37. DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE**

During the year under review, there were no application made or any proceeding pending in the name of the company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

### **38. THE DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ONE TIME SETTLEMENT AND THE VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS**

During the year under review, there has been no one time settlement of Loans taken from Banks and Financial Institutions.

### **39. INDUSTRIAL RELATIONS**

The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review.

### **40. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the Company's current working and future outlook as per **Annexure - 4**.

#### **41. ACKNOWLEDGEMENTS**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Suppliers, Customers and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for the continued support of every stakeholder in the future.

**Registered Office:**

J-03 (GF to 4<sup>th</sup> Floor) Tejendra  
Arcade, Nr, Ganjifarak Mill  
Compound, Nr. Rakhial Char Rasta,  
Rakhial, Ahmadabad – 380 023

**Place:** Ahmedabad

**Date:** 24<sup>th</sup> August, 2023

**By the Order of the Board  
Vortex Cotfab Limited**

Sd/-

**Mithleshkumar Agrawal  
Managing Director  
DIN: 03468643**

Sd/-

**Aakash Thakor  
Director  
DIN: 07960192**

**Annexure '1' to Board's Report**

**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 transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms' length basis.

**2. Details of material contracts or arrangements or transactions at Arm's length basis.**

**(Amount in Lakhs)**

<b>Name (s) of the related party</b>	<b>Nature of relationship</b>	<b>Nature of contracts/ arrangements/ transaction</b>	<b>Duration of the contracts/ arrangements/ transaction</b>	<b>Salient terms of the contracts or arrangements or transaction including the value, if any</b>	<b>Date of approval by the Board, if any</b>	<b>Amount paid as advances, if any</b>
M/s. Hearmo Tech Private Limited	Entity in which KPM/Relative of KMP having significant influence	Purchase	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023	Rs. 1,144.45/-	As per note below	As per note below
M/s. Vaxfab Enterprise Limited	Associate Company	Purchase	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023	Rs. 1,143.08/-	As per note below	As per note below
M/s. Stitched Textiles Limited	Other	Loan Given	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023	Rs. 2,545.09/-	As per note below	As per note below
M/s. Stitched Textiles Limited	Other	Purchase	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023	Rs. 2,303.05/-	As per note below	As per note below

**Note:** Appropriate approvals have been taken for related party transactions wherever necessary. No amount was paid in advance.

**Registered Office:**

J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade, Nr,  
Ganjifarak Mill Compound, Nr. Rakhial Char  
Rasta, Rakhial, Ahmadabad – 380 023

**Place:** Ahmedabad  
**Date:** 24<sup>th</sup> August, 2023

Sd/-  
**Mithleshkumar Agrawal**  
**Managing Director**  
**DIN: 03468643**

**By the Order of the Board**  
**Vortex Cotfab Limited**

Sd/-  
**Aakash Thakor**  
**Director**  
**DIN: 07960192**



## Annexure '2' to Board's Report

### REPORT ON CORPORATE GOVERNANCE

#### 1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is an ethical business process that is committed to value aimed at enhancing an organization's wealth generating capacity. This is ensure by taking ethical business decision and conducting business with firm commitment to values, while meeting stakeholder's expectations. Corporate Governance is globally recognized as a key component for superior long term performance of every corporate entity.

Effective corporate governance practices constitutes the strong foundation on which successful commercial enterprises are built to the last. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to achieve its vision of being the most respected Company.

We are committed for maximizing stakeholder value by improving good governance, quality and commitment with a spirit of integrity.

Our Corporate Governance framework ensures that we make timely disclosure and share accurate information regarding our financial and performance, as well as leadership and governance of the Company.

The Company's philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the government and lenders. The Company is committed to achieve the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" or "SEBI (LODR) Regulations, 2015"), as applicable, is given below.

#### 2. BOARD OF DIRECTORS

##### (a) Composition

Name of Directors	Category of Directorship in the Company	No. of other Directorship @	No. of Committee position in other Companies**		No. of Board Meetings attended during 2022-23
			Member	Chairman	
Mr. Mithleshkumar Agrawal	Promoter-Executive Director	-	-	-	12

Mr. Aakash Thakor	Non - Executive Director	1	-	-	12
Ms. Ziral Soni	Independent Director	5	6	1	12
Mr. Pranav Vajani	Independent Director	5	7	3	12
Mr. Digesh Deshaval	Independent Director	3	3	1	12
Mr. Kunjal Soni	Independent Director	3	4	2	12

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

\*\* for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

### **(b) Information on Board of Directors**

None of the directors on the board is a Member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which he is a director. None of the Independent Directors serve as an Independent Director in more than seven listed entities provided that any Independent Director who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities. Necessary disclosures regarding their Directorship/ Membership in other companies have been made by all directors.

### **Chart/Matrix setting out the skills/expertise/ competence of the Board of Directors**

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

#### **i. Knowledge:**

Understand the Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates.

#### **ii. Behavioral Skills:**

Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.

#### **iii. Business Leadership:**

Leadership experience including in the areas of Business Strategy, Administration, Decision Making and guiding the Company and its senior management towards its vision and values.

iv. Financial Management skills:

Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes.

v. Sales and Marketing:

Experience in developing strategies to grow sales and market share, build brand awareness and thereby enhance enterprise value.

Name of Director	Knowledge	Behavioral Skills	Business Leadership	Financial Management skills	Sales and Marketing
Mr. Mithleshkumar Agrawal	Yes	Yes	Yes	Yes	No
Mr. Aakash Thakor	Yes	Yes	Yes	Yes	Yes
Ms. Ziral Soni	Yes	Yes	Yes	Yes	No
Mr. Pranav Vajani	Yes	Yes	Yes	Yes	Yes
Mr. Digesh Deshaval	Yes	Yes	Yes	Yes	No
Mr. Kunjal Soni	Yes	Yes	Yes	Yes	No

**(c) Declaration by the Board**

In terms of Regulation 25(8) of Listing Regulations, each Independent Director has confirmed that he/she meets the criteria of independence in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations and also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. Based on the declaration received from each Independent Director under Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of Listing Regulations, Board of Directors has confirmed that the Independent Directors fulfill the conditions specified in these sections and regulations and are independent of the management.

**(d) Resignation of Independent Director**

During the year under review, there is no instance of resignation of an Independent Director.

**(e) Board Membership Criteria**

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristic, skills and experience required for the Board as a whole and for individual members. Board Members are expected to possess the expertise, skills, and experience to manage and guide a high growth.

**(f) Number of meetings of the Board of Directors held and dates on which held**

12 (Twelve) Board Meetings were held during the year 2022-23. The dates on which the Board meetings were held are: 19<sup>th</sup> April, 2022, 28<sup>th</sup> April, 2022, 1<sup>st</sup> July, 2022, 11<sup>th</sup> July, 2022, 5<sup>th</sup> September, 2022, 11<sup>th</sup> October, 2022, 14<sup>th</sup> October, 2022, 26<sup>th</sup> December, 2022, 7<sup>th</sup> January, 2023, 11<sup>th</sup> January, 2023, 18<sup>th</sup> January, 2023 and 21<sup>st</sup> February, 2023.

The information as required under Regulation 17 (7) of SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda. As required under Regulation 17 (3) of SEBI (LODR) Regulations, 2015, the Board periodically reviews compliances of various laws applicable to the Company.

Names of the Directors on the Board, their Attendance in the Board Meeting, % of attendance and Attendance in last Annual General Meeting during the year 2022-23 is given below:

No. of Board Meeting held & attended during 2022-23	Name of Director					
	Mr. Mithleshkumar Agrawal	Mr. Aakash Thakor	Ms. Ziral Soni	Mr. Pranav Vajani	Mr. Digesh Deshaval	Mr. Kunjal Soni
19-04-2022	Yes	Yes	Yes	Yes	Yes	Yes
28-04-2022	Yes	Yes	Yes	Yes	Yes	Yes
01-07-2022	Yes	Yes	Yes	Yes	Yes	Yes
11-07-2022	Yes	Yes	Yes	Yes	Yes	Yes
05-09-2022	Yes	Yes	Yes	Yes	Yes	Yes
11-10-2022	Yes	Yes	Yes	Yes	Yes	Yes
14-10-2022	Yes	Yes	Yes	Yes	Yes	Yes
26-12-2022	Yes	Yes	Yes	Yes	Yes	Yes
07-01-2023	Yes	Yes	Yes	Yes	Yes	Yes
11-01-2023	Yes	Yes	Yes	Yes	Yes	Yes
18-01-2023	Yes	Yes	Yes	Yes	Yes	Yes
21-02-2023	Yes	Yes	Yes	Yes	Yes	Yes
Total attended	12	12	12	12	12	12
% of attendance	100	100	100	100	100	100
Whether attended Last AGM held on 28-09-2022	Yes	Yes	Yes	Yes	Yes	Yes

#### **(h) Disclosure of Relationship between Directors inter se**

No Directors of the Company are inter se related.

#### **(i) Shareholding of Non-Executive Directors**

<b>Name of Directors</b>	<b>No. of Shares held</b>	<b>% of shareholding</b>
Mr. Aakash Thakor	0	0.00
Ms. Ziral Soni	0	0.00
Mr. Pranav Vajani	0	0.00
Mr. Digesh Deshaval	0	0.00
Mr. Kunjal Soni	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>

#### **(j) Code of Conduct**

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015. A declaration in respect of affirmation on compliance with Code of Conduct, by the Board Members and senior management personnel for the financial year ended on March 31, 2023, duly signed by Managing Director of the Company is attached herewith and forms part of Corporate Governance Report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

#### **(k) Disclosures regarding appointment/re-appointment of Directors**

Mr. Aakash Rajeshbhai Thakor, Director is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. An agenda seeking shareholders' approval for his re-appointment forms part of the Notice of the Annual Report.

The brief resume and other information required to be disclosed under Regulation 36(3) of SEBI (LODR) Regulations, 2015 is provided in the Notice of the Annual General Meeting.

#### **(l) Familiarization Programme for Independent Director**

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The details of such familiarization programmes have been disclosed on the Company's website.

### **3. AUDIT COMMITTEE**

The Audit Committee serves as the link between the Statutory and internal auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

#### **(a) Terms of reference and Powers**

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures

and ensuring compliance with the regulatory guidelines and also include those specified under the Regulation 18 of SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

With the introduction of SEBI Notification No. SEBI/ LAD-NRO/GN/2021/22 dated 5<sup>th</sup> May, 2021 amending SEBI (LODR) Regulations, 2015 which will be effective from different dates in phase manner, the role of the Audit Committee has been amended by addition of one new role of Audit Committee i.e. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders. Accordingly, the Company has revised the role of Audit Committee in the meeting of Board of Directors held on 30<sup>th</sup> June, 2021. Besides, other than role of the Audit Committee, there is no change in other matters including Terms of Reference, the matters which is mandatorily reviewed by the Audit Committee, constitution, etc.

The Committee reviews the information as listed under Regulation 18(3) of SEBI (LODR) Regulations, 2015 read with Schedule II Part C (B) as well as under Section 177 of the Companies Act, 2013 as amended from time to time.

### **(b) Composition**

The Board of Directors of the Company has constituted an Audit Committee on 2<sup>nd</sup> April, 2019. Presently, the Audit Committee comprises qualified and majority independent members of the Board, who have expertise knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations. The constitution, composition and functioning of the Audit Committee also meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. The present composition of the Audit committee is as follow:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Pranav Vajani	Chairperson	Independent Director
Mr. Aakash Thakor	Member	Non-Executive Director
Ms. Ziral Soni	Member	Independent Director

### **(c) Audit Committee Meetings**

6 [Six] Audit Committee Meetings were held during the year 2022-23. The dates on which the Audit Committee Meetings were held are: 28<sup>th</sup> April, 2022, 11<sup>th</sup> July, 2022, 11<sup>th</sup> October, 2022, 14<sup>th</sup> October, 2022, 26<sup>th</sup> December, 2022 and 11<sup>th</sup> January, 2023.

The Statutory Auditors, Internal Auditors of the Company and Finance personnel are invited to attend and participate in the meetings of the Audit Committee. The Committee holds discussions with them on various matters including limited review of results, audit plan for the year, matters relating to compliance with accounting standards, auditors' observations and other related matters. Company Secretary acts as Secretary to the Committee.

Names of the members on the Committee, their Attendance in the Audit Committee Meetings, % of attendance during the year 2022-23 is given below:

Name of Member	No. of Audit Committee Meeting held & attended during 2022-23						Total attended	% of attendance
	28-04-2022	11-07-2022	11-10-2022	14-10-2022	26-12-2022	11-01-2023		
Mr. Pranav Vajani	Yes	Yes	Yes	Yes	Yes	Yes	6	100
Mr. Aakash Thakor	Yes	Yes	Yes	Yes	Yes	Yes	6	100
Ms. Ziral Soni	Yes	Yes	Yes	Yes	Yes	Yes	6	100

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### (a) Composition:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulation, 2015, Nomination and Remuneration Committee has been constituted by the Board of Directors on 2<sup>nd</sup> April, 2019. The present composition of the Nomination and Remuneration Committee is as follow:

Name	Designation	Category
Mr. Pranav Vajani	Chairperson	Independent Director
Mr. Aakash Thakor	Member	Non-Executive Director
Ms. Ziral Soni	Member	Independent Director

##### (b) Nomination and Remuneration Committee Meeting:

During the year under review, Nomination and Remuneration Committee (“NRC”) Meeting was held on 1<sup>st</sup> July, 2022 and 11<sup>th</sup> January, 2023. The Committee has passed circular resolutions on 12<sup>th</sup> November, 2020 pertaining to amend Criteria of making payment to Non-Executive Directors pursuant to amendment made in Section 149 and 197 read with Schedule V of the Companies Act, 2013 by Ministry of Corporate Affairs.

Names of the members on the Committee, their Attendance in the Stakeholders’ Relationship Committee Meetings, % of attendance during the year 2022-23 is given below:

Name	No. of Committee Meeting		Total attendance	% of attendance
	01-07-2022	11-01-2023		
Mr. Pranav Vajani	Yes	Yes	2	100
Mr. Aakash Thakor	Yes	Yes	2	100
Ms. Ziral Soni	Yes	Yes	2	100

##### (c) Terms of reference and Powers of the committee inter alia, includes the following:

Terms of Reference and role of the NRC cover the matters specified in SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 as amended from time to time, which, inter alia, includes the following:

- Formulation of 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.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising a policy on diversity of board of directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and carrying out evaluation of performance of every Director.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommending and determining remuneration of the Executive Directors as per the Policy.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

**(d) Performance evaluation criteria for directors:**

Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, effective participation, domain knowledge and so on, which are considered by the Committee and/or Board while evaluating the performance of each Director.

The performance evaluation of the Independent Directors was carried out by the entire Board as well as Nomination and Remuneration Committee.

**(e) Salient features of policy on remuneration of directors, key managerial personnel & senior employees:**

The Company has formulated the remuneration policy for its directors, key managerial personnel and Senior Employees keeping in view the following objectives:

- » To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- » To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- » To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

**(1) Criteria for Selection of Directors:**

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.



b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee (“NRC”) satisfies itself with regard to the independence nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. NRC ensures that the candidate identified for Appointment / Re- Appointment as an Independent Director is not disqualified for Appointment / Re-Appointment under Section 164 of the Companies Act, 2013.

d. NRC considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

1. Qualification, expertise and experience of the Directors in their respective fields;
2. Personal, Professional or business standing;
3. Diversity of the Board.

e. Board of Directors take into consideration the performance evaluation of the Directors and their engagement level.

(2) Criteria for Selection of KMP/Senior Management:

a. NRC ensures that the candidate possesses the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.

b. NRC considers the practice and encourage professionalism and transparent working environment.

c. NRC considers to build teams and carry the team members along for achieving the goals/ objectives and corporate mission.

(3) Remuneration:

A. Remuneration to Executive Directors and KMP:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

ii) The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the KMP of the Company.

iii) The remuneration structure to the Executive Directors and KMP shall include the following components:

- Basic Pay
- Perquisites and Allowances
- Stock Options
- Commission (Applicable in case of Executive Directors)
- Retiral benefits

## B. Remuneration to Non-Executive Directors:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive and Independent Directors shall also be entitled to remuneration by way of commission in addition to the sitting fees.

## C. Remuneration to Senior Employees:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

## 5. REMUNERATION OF DIRECTORS

### **(a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:**

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large.

### **(b) Disclosures with respect to remuneration:**

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.

### **Executive & Managing Directors**

The Nomination and Remuneration Committee of the Directors is authorized to decide the remuneration of the Managing Director, subject to the approval of Members, if required. The remuneration structure of the Company comprises salary/remuneration, perquisites & Allowances etc. The nature of employment of all Executive and Managing Directors is contractual as per the Company's policy.

The Company has one Managing Director on its Board, who is eligible to draw remuneration as per the Board and Shareholder's approval. However, the Managerial Persons viz. Mr. Mithleshkumar Agrawal, Managing Director has decided not to draw any remuneration from the Company and accordingly no remuneration including any allowances and/or performance linked Bonus/Commission was paid to the Managerial Persons during financial year 2022-2023.

## Terms of Appointment of Directors

As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/reappointment are given in Notice of the 18<sup>th</sup> Annual General Meeting.

### I. Non-Executive & Independent Directors

#### Commission & Sitting fees to Non-executive Directors

The details of payment of commission and sitting fees paid to Non-Executive & Independent Directors for the FY 2022-23 are as under:

(Amount in Lakhs)			
Sr. No.	Name of Director	Commission	Sitting Fees
1	Mr. Pranav Vajani	Nil	0.36
2	Mr. Aakash Thakor	Nil	0.00
3	Ms. Ziral Soni	Nil	0.18
4	Mr. Digesh Deshaval	Nil	0.36
5	Mr. Kunjal Soni	Nil	0.54

The Company also reimburses out of pocket expenses incurred by the Directors, if any, for attending Board & Committee meetings.

### III. Non-Executive Director

#### Mr. Aakash Rajeshbhai Thakor

Terms of remuneration of Mr. Aakash Rajeshbhai Thakor as approved by the Shareholders are as under:

**Remuneration paid to Mr. Aakash Thakor during the year 2022-23:** Rs. 8.43 Lakhs

**Note:** As per Regulation 17(6)(ca) of the SEBI (LODR) Regulations, 2015, the approval of the members of the Company by way of special resolution, giving details of remuneration, is required every year for payment of annual remuneration to single non-executive Director exceeding 50% (fifty percent) of the total annual remuneration payable to all non-executive Directors of the Company.

#### (C) Stock Option

The Company has not granted any stock options to its Directors.

The Criteria of making payment to Non-Executive Directors is placed on the website of the Company.

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

### (a) Composition

The Company has constituted Stakeholders Relationship Committee on 2<sup>nd</sup> April, 2019. The constitution, composition and functioning of the Stakeholders Relationship Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR)

Regulations, 2015. The Committee specifically looks into issues relating to various aspects of shareholders, *inter alia*, share related matters and redressal of grievances of Security holders. The Committee comprises 3 [three] members and committee functions under the Chairmanship of the Committee. The present composition of the Stakeholders Relationship Committee is as follow:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Aakash Thakor	Chairperson	Non-Executive Director
Mr. Pranav Vajani	Member	Independent Director
Ms. Ziral Soni	Member	Independent Director

**(b) Stakeholders’ Relationship Committee Meetings:**

2 [Two] meetings were held during the year 2022-23. The dates on which the Stakeholders’ Relationship Committee Meetings were held are: 26<sup>th</sup> December, 2022 and 11<sup>th</sup> January, 2023.

Names of the members on the Committee, their Attendance in the Stakeholders’ Relationship Committee Meetings, % of attendance during the year 2022-23 is given below:

<b>Name</b>	<b>No. of Committee Meeting</b>		<b>Total attendance</b>	<b>% of attendance</b>
	26-12-2022	11-01-2023		
Mr. Aakash Thakor	Yes	Yes	2	100
Mr. Pranav Vajani	Yes	Yes	2	100
Ms. Ziral Soni	Yes	Yes	2	100

**(c) Terms of reference, Role and Powers**

The Company has adopted terms of reference and role of Stakeholders Relationship Committee as per Section 178 the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

**Role of Stakeholders Relationship Committee:**

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**(d) Other Information**

- To expedite the process of share transfer, transmission, split, consolidation, rematerialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the

powers of approving the same to the Company's RTA namely Bigshare Services Private Limited, Ahmedabad under the supervision and control of the Company Secretary/ Compliance Officer of the Company, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.

**• Name, Designation and address of the Company Secretary & Compliance Officer**

Ms. Vinita Keswani, Company Secretary & Compliance Officer

Vaxtex Cotfab Limited  
J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade,  
Nr, Ganjifarak Mill Compound,  
Nr. Rakhial Char Rasta, Rakhial, Ahmadabad – 380 023  
Tel. No.: +91 9537669940

Email: [vaxtexcotfab@gmail.com](mailto:vaxtexcotfab@gmail.com)

The Company has designated the email id ([vaxtexcotfab@gmail.com](mailto:vaxtexcotfab@gmail.com)) for grievances redressal and registering complaints by investor.

**Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 2022-23.**

**Quarter-wise Summary of Investors' Complaints received and resolved**

Quarter Period		Opening	Received	Resolved	Pending
From	To				
01-04-2022	30-06-2022	Nil	Nil	Nil	Nil
01-07-2022	30-09-2022	Nil	Nil	Nil	Nil
01-10-2022	31-12-2022	Nil	Nil	Nil	Nil
01-01-2023	31-03-2023	Nil	Nil	Nil	Nil

**(e) Non-receipt/Unclaimed dividends**

The Company has not declared dividend for any financial year till date and also there are Nil unclaimed dividend as on date.

**(f) Amount Transferred to IEPF Account**

As per the provision of Section 124(5) and Section 125 of the Companies Act, 2013, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

**7. INFORMATION ABOUT GENERAL MEETINGS:**

**(a) Annual General Meeting**

Details of Venue, Date and Time of the Last Three Annual General Meetings are as follows:

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
2019-20	1202, Addor Aspire, Nr. Jahanvee Restaurant, Panjrapole Road, Ahmedabad – 380 015	31-12-2020	2:30 P.M.
2020-21	1202, Addor Aspire, Nr. Jahanvee Restaurant, Panjrapole Road, Ahmedabad – 380 015	28-09-2021	4:30 P.M.
2021-22	Through Video Conferencing (VC) / Other Audio Video Means (OAVM)	28-09-2022	3:00 P.M.

**(b) Special Resolution (without postal ballot) passed at the Last Three AGM**

The Company has passed following special resolution at Annual General Meeting for 2021-22 as on 28<sup>th</sup> September, 2022:

1. To contribute to bona fide charitable funds.

**(c) Postal Ballot Resolutions**

The Company did not pass any special resolution through Postal Ballot during the last year.

**8. MEANS OF COMMUNICATION**

**(a) Financial Results**

The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges and Company website, immediately after the same are taken on record by the Board.

**(b) Newspapers wherein results normally published**

Results are normally published in Indian Express (English edition) and in Financial Express (Gujarati edition). These are not sent individually to the shareholders.

**(c) Website, News Releases, Presentation etc.**

The Company's results, annual reports and official news releases are displayed on the Company's website. The said Company's website also containing basic information about the Company includes information about the Company's business, financial information, shareholding pattern, compliance with corporate governance, Company's director, registrar & transfer agent, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc.

The Company had meetings with and made presentations to the institutional investors and analysts during the year and the presentation made to analysts and investors are uploaded on the website of the Company.

**NSE Listing Center**

NSE Limited has also launched a web based system for corporates to make their periodic submission of compliances online. Your company is also filing the Shareholding Pattern, Financial

Result, Corporate Governance Report and all the intimation/ disclosures through the NSE Listing Center.

### **Processing of investor complaints in SEBI Complaints Redress System (SCORES)**

SEBI has commenced processing of investor complaints in a centralized web based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

### **Price Sensitive Information**

All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the Company's shares are listed, for dissemination to the Shareholders. The said information are also uploaded on the Company's website.

## **9. OTHER DISCLOSURES:**

### **(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large**

There were no materially significant related party transactions that may have potential conflict with the interests of the Company.

### **(b) Details of non-compliance by the Company, 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**

Your Company has complied with all the requirements of regulatory authorities. No penalty/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market.

### **(c) Vigil Mechanism/ Whistleblower Policy**

The Company has adopted the Whistleblower Policy and has established the necessary vigil mechanism for stakeholders, including individual employees and their representative bodies and directors to report concerns about illegal or unethical practices, unethical behavior, actual or suspect fraud or violation of Code of Conduct. It also provides adequate safeguard against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee. No person has been denied access to the Chairman of Audit Committee. The said policy is uploaded on the Company's website.

### **(d) Material Subsidiary**

The Company does not have any Associate or Subsidiary Company.

The Company has policy for determining "Associate Company" which is uploaded on the website of the Company.

### **(e) Basis of Related Party Transaction**

There are no materially significant related party transactions i.e. transactions 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 in the financial year 2022-23. Related party transaction during the year have been disclosed vide note no. 28 of notes on financial statement as per requirement of Ind AS 24 on related party disclosure issued by ICAI.

These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically.

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.

### **(f) Details of compliance with the mandatory requirements and extent of compliance with non-mandatory requirements**

#### **• Compliance with the Corporate Governance Code**

The Company has complied with all the mandatory Corporate Governance requirements as well as specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.

- The Company has complied with the requirement of corporate governance report mentioned under sub-para (2) to (10) of Part C of Schedule V of SEBI (LODR) Regulations, 2015.

#### **• Extent of compliance with the non-mandatory requirements and Discretionary Requirements specified in Part E of Schedule II**

- o **Shareholder's Rights:** Quarterly, Half yearly and yearly financial results including summary of significant events are presently not being sent to the shareholders of the Company. However, quarterly financial results are published in the leading newspapers and are also available on the website of the Company.

- o **Modified Opinion(s) in Audit Report:** There is no qualification on Auditor's report on standalone and consolidated financial statement to the shareholder of the Company.

- o **Reporting of Internal Auditor:** The Board has appointed Internal Auditor of the Company. The Internal Auditor of the Company is regularly invited to the Audit Committee meeting and regularly attends the meeting. The Internal Auditors give quarterly presentation on their audit observation to the Audit Committee.

The Company has obtained a Certificate from Mr. Gaurav V. Bachani, Proprietor of M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad on compliance of conditions of Corporate Governance requirement as required under Schedule V (E) read with Regulation 34 (3) of SEBI (LODR) Regulations, 2015 and has attached the said certificate with the Boards' Report.



### **(g) Disclosure of accounting treatment in preparation of Financial Statements**

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing financial statement.

### **(h) MDAR**

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

### **(i) CEO/CFO Certificate**

In compliance of the Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company give annual Certification on financial reporting and internal Control to the Board. As per the requirement of Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015 the Managing Director and Chief Financial Officer also gives quarterly Certification on financial results while placing the financial results before the Board.

### **(j) Risk Management Policy**

The Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee also reviews the adequacy of the risk management frame work of the Company, the key risks associated with the business and measures and steps in place to minimize the same.

### **(k) Dividend Distribution Policy**

As per amendment made in Regulation 43A of SEBI (LODR) Regulations, 2015 vide SEBI Notification No. SEBI/LAD-NRO/GN/2021/22 dated 5<sup>th</sup> May, 2021, top 1000 companies based on market capitalization (calculated as on March 31 of every financial year) are required to formulate Dividend Distribution Policy. The Board has approved the Dividend Distribution Policy in line with said Regulation which is uploaded on the website of the Company.

### **(l) Other Policies**

The Company has also formulated policy for Preservation & Archival of documents and a policy for determining materiality of event and information for disclosures as per Listing Regulation, 2015. Policy on Criteria of making payment to Non-Executive Directors.

The Board approved policy on Criteria of making payment to Non-Executive Directors as per Companies Act, 2013 and made amended from time to time.

Further, MCA vide its circulars dated 18<sup>th</sup> March, 2021 notifies amendment in Section 149(9) and Section 197 including Schedule V of the Companies Act, 2013 which allow the Independent Director to take remuneration in case of Company has no profit or inadequate profit subject to the provisions of Schedule V. Hence, the Company has revised Criteria of making payment to Non-Executive Directors to that extent.

The said policies are available on the website of the Company.

### **(m) Conflict of Interest**

The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

### **(n) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

### **(o) Confirmation and Certification**

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from Mr. Gaurav V. Bachani, Proprietor of M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad, confirming 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 Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

### **(p) Payment to Statutory Auditors**

During 2022-23, total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the Statutory Auditors i.e. M/s. S S R V & Associates, Chartered Accountants, Mumbai, as under:

- M/s. S S R V & Associates – ₹ 53,000/-

### **(q) Sexual Harassment of Women at Workplace**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“Sexual Harassment Act”). Internal Complaints Committee (ICC) has been constituted for the Company’s various sites and workplace in compliance with the provisions of Sexual Harassment Act to redress complaints received regarding sexual harassment. There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment Act.

### **(r) SEBI (Prohibition of Insider Trading) Regulations, 2015**

The Company has approved/adopted Code of Conduct for Insider Trading, as per SEBI (Prohibition of Insider Trading) Regulations, 2015 [“SEBI (PIT) Regulations”]

### **(s) Availed services of NSDL to update e-mail ids of shareholders to send notice of 18<sup>th</sup> Annual General Meeting in compliance with the concern circulars issued by MCA and SEBI**

In view of the unprecedented outbreak of COVID-19 pandemic, MCA and SEBI vide their Circulars allowed Companies to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Further, the said circulars have also permit to send Annual Report to Shareholders through email

only and dispensed with the printing and dispatch of physical copy of annual reports to shareholders.

Accordingly, Notice of AGM along with the Annual Report for FY 2022-23 was being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. In this regard, as a part of Good Corporate Governance, the Company had availed services of Depository viz. National Securities Depository Limited (“NSDL”) to update the e-mail IDs of the shareholders to send Notice of AGM along with the Annual Report for FY 2022-23. By the said services, shareholders can update their email ID directly without approaching their DP, where they maintain their demat account.

**(t)** During the year, the Board has accepted all the recommendations made by various committees including Audit Committee. There have been no instances during the year where recommendations of the any Committee were not accepted by the Board.

#### 10. GENERAL SHAREHOLDERS' INFORMATION:

Sr. No.	Particulars	Details
1	Registered Office	J-03 (GF to 4 <sup>th</sup> Floor) Tejendra Arcade, Nr, Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmadabad – 380 023
2	Annual General Meeting	15 <sup>th</sup> September, 2023 at 4:00 P.M. Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to MCA / SEBI Circulars.
3	Financial Year	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024
4	Financial Results	
	1 <sup>st</sup> Quarter	45 days from end of Quarter 30 <sup>th</sup> June, 2023
	Half Year ended	45 days from end of Quarter 30 <sup>th</sup> September, 2023
	Nine Months ended	45 days from end of Quarter 31 <sup>st</sup> December, 2023
	Year ended	60 days from end of Financial Year i.e. 31 <sup>st</sup> March, 2024
5	Book Closure Dates	8 <sup>th</sup> September, 2023 to 15 <sup>th</sup> September, 2023 (both days inclusive)
6	Dividend Payment Date	Not Applicable
7	Listing of Shares on Stock Exchanges	<b>National Stock Exchange of India Limited</b> The Company has paid the annual listing fees for the financial year 2022-23 to the Stock Exchange viz. National Stock Exchange of India Limited, where the equity shares of the Company are listed.
8	Stock Exchange Code	Series: BE and Symbol: VCL
9	Registrar and Share Transfer Agents for both Physical and Demat Segment of Equity Shares of the Company:	Bigshare Services Private Limited A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G Road, Navrangpura, Ahmedabad – 380 009 Email id: <a href="mailto:bssahd@bigshareonline.com">bssahd@bigshareonline.com</a>

### 11. Stock Price Data:

The shares of the Company were traded on the National Stock Exchange of India Limited. The information on stock price data, NSE Nifty details are as under:

Month	National Stock Exchange of India Limited		
	High	Low	Shares Traded
April, 2022	26.80	20.35	1,58,41,000
May, 2022	37.35	25.05	3,88,16,000
June, 2022	26.45	11.65	74,48,000
July, 2022	16.10	11.75	1,41,90,000
August, 2022	12.40	10.10	70,15,000
September, 2022	11.55	8.75	63,17,000
October, 2022	10.80	7.60	31,86,000
November, 2022	12.00	7.30	2,35,08,000
December, 2022	8.20	5.05	3,76,81,000
January, 2023	6.55	5.10	74,17,000
February, 2023	7.00	2.30	2,00,85,000
March, 2023	2.90	2.00	1,00,30,000

### 12. Distribution of Shareholding as on 31<sup>st</sup> March, 2023:

No. of Equity Shares Held	No. of Share Holders	% of Share Holders	No. of Equity Shares Held	% of total Holding
1-5000	30118	92.53	20565806	16.28
5001-10000	1252	3.85	9141453	7.24
10001-20000	648	1.99	9508828	7.53
20001-30000	223	0.69	5523104	4.37
30001-40000	103	0.32	3635780	2.88
40001-50000	64	0.19	2921939	2.32
50001-100000	93	0.28	6572697	5.20
100001-∞	51	0.15	68420493	54.18
<b>Total</b>	<b>32552</b>	<b>100</b>	<b>126290100</b>	<b>100</b>

### 13. Category of Shareholders as on 31<sup>st</sup> March, 2023:

Category	No. of Shares held	% of Shareholding
Promoters (Directors, Relatives & Group Companies)	33012828	26.14
Clearing Member	42590	0.03
Corporate Bodies	26456769	20.95
Non Resident Indian	1656926	1.31
HUF	722972	0.57
Public	64370505	50.97
Foreign Portfolio Investors Category I	27510	0.03

#### **14. Dematerialization of Shares & Liquidity**

The Company's shares are in compulsory demat segment and as on 31<sup>st</sup> March, 2023, 12,62,90,100 equity shares of the Company, forming 100.00% of the Company's paid-up equity share capital, is in dematerialized form. Company's shares are easily traded on the stock exchange i.e. NSE Main Board.

#### **15. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity**

The Company has no outstanding GDRs/ADRs/ Warrants/Options or any convertible Instruments as on 31<sup>st</sup> March, 2023.

#### **16. Share Transfer System**

All the shares related work is being undertaken by our RTA, Bigshare Services Private Limited, Ahmedabad. To expedite the process of share transfer, transmission, split, consolidation, rematerialisation and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's RTA under the supervision and control of the Company Secretary, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Stakeholders Relationship Committee.

In terms of Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities 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. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shares lodged for transfer at the RTA address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 15 days. The investors/ shareholders grievances are also taken-up by our RTA.

The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from a Company Secretary in practice for due compliance with the share transfer formalities as required under Clause 40(9) of SEBI (LODR) Regulations, 2015 read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59, dated April 13, 2020.

#### **17. Reconciliation of Share Capital Audit Report**

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

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

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

To,  
The Members of  
**Vaxtex Cotfab Limited**  
J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade,  
Nr, Ganjifarak Mill Compound,  
Nr. Rakhial Char Rasta, Rakhial,  
Ahmadabad – 380 023

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vaxtex Cotfab Limited** (hereinafter called the "Company"). The 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 **Vaxtex Cotfab Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2023, 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 **Vaxtex Cotfab Limited** ("the Company") for the Financial Year ended on 31<sup>st</sup> March, 2023, according to the provisions of:-

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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).
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (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.

I have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**FOR, GAURAV BACHANI & ASSOCIATES,  
COMPANY SECRETARIES**

**GAURAV V. BACHANI**

PROPREITOR

ACS No.: 61110

COP No.: 22830

FRN: S2020GJ718800

Peer Review Certificate No.: 2126/2022

UDIN: A061110E000429071

Date: 30<sup>th</sup> May, 2023

Place: Ahmedabad

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

To,  
The Members  
**Vaxtex Cotfab Limited**

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

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

**FOR, GAURAV BACHANI & ASSOCIATES,  
COMPANY SECRETARIES**

**GAURAV V. BACHANI**  
PROPREITOR  
ACS No.: 61110  
COP No.: 22830  
FRN: S2020GJ718800  
Peer Review Certificate No.: 2126/2022  
UDIN: A061110E000429071

Date: 30<sup>th</sup> May, 2023  
Place: Ahmedabad



## **Management Discussion and Analysis**

### **A. Industry structure and developments**

The Textile Industry is facing exceptional and unprecedented challenging conditions. There is a rise of demand for low-cost products having sustainable and environment - friendly production processes. Consumers are seeking products that are made from renewable materials and from sustainable manufacturing processes. Further, rising importance of digital technology in textile products, 3D modelling and other technologies are enabling manufacturers to create more innovative and customized products while improving production efficiencies and reducing waste. Hence, there is an optimism that post geopolitical stabilization, textile sector will show positive trends due to new opportunities and technological innovations supported by domestic & global demand, investment incentives (PLI) and strong balance sheets of companies. Further, China plus one policy adopted by USA / Europe will give a boost to Indian Textile Sector.

### **B. Opportunities and Threats**

#### **Opportunities:**

- a) China plus one policy, Economic collapse / volatility in Sri Lanka, Myanmar, Bangladesh, and Pakistan has played out in favour of India as the world has started looking at India as reliable partner for their requirement.
- b) Rising demand for low cost, sustainable and eco-friendly products. This presents an opportunity for textile manufacturers to develop new products that are made from renewable materials and produced using sustainable manufacturing processes. Cost can be reduced by blending with cheaper man-made fiber.
- c) Emergence of new Markets: FTA with Australia, Comprehensive Economic Partnership Agreement (CEPA) with UAE and expected favorable trade agreements with UK / Europe present an opportunity for textile manufacturers to expand into new markets and diversify their customer base.

#### **Threats:**

- a) The biggest threat to cotton products is competition from other low-cost man-made fibers. Consumers are shifting their focus to low-cost products which has led to intense competition and pricing pressure in the global textile industry.
- b) There is a high cost to comply with environmental, social and labour regulations which can be costly and time - consuming.
- c) Further the textile industry is highly sensitive to global economic conditions and can be significantly impacted by global demand and pricing.

### **C. Outlook**

The coming year will be challenging with respect to pricing. We have to focus more on offering new products and meeting customer retail price points. Also focus will be on blending with manmade fibers that can fit into the price bracket acceptable to buyers. Overall, the textile market is sombre and expected to take around one quarter to stabilize. Further, we must navigate the challenging period by differentiating ourselves through innovation and quality. The manufacturers who will be able to address these challenges, while also differentiating themselves through innovation and quality, are likely to be successful in times to come.

#### **D. Risks and concerns**

There is propagation in cotton prices which cannot be absorbed in finished goods prices. Preference is shifting from Cotton fibers to manmade fibers i.e. synthetic, polyester etc. which are available at lower prices. This is putting pressure on margin.

#### **E. Internal control systems and their adequacy**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly. Internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in-house trained personnel. The audit observations and corrective actions are periodically reviewed by the audit committee to ensure the effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

#### **F. Discussion on financial performance with respect to operational performance**

The financial performance of the Company for the Financial Year 2022-23 is described in there as a part of Board of Directors' of the Company.

#### **G. Material developments in Human Resources / Industrial Relations front including number of people employed**

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company has designed and implemented performance management system of employees that helps in achieving its goals. Industrial relations are cordial and satisfactory.

#### **H. Segment-wise or Product-wise performance**

The Company operates in single Segment i.e. Garments and Apparels.

#### **Registered Office:**

J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade,  
Nr, Ganjifarak Mill Compound, Nr.  
Rakhial Char Rasta, Rakhial, Ahmadabad  
- 380 023

**Place:** Ahmedabad

**Date:** 24<sup>th</sup> August, 2023

**By the Order of the Board  
Vaxtex Cotfab Limited**

Sd/-

**Mithleshkumar Agrawal  
Managing Director  
DIN: 03468643**

Sd/-

**Aakash Thakor  
Director  
DIN: 07960192**

## DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2023.

**Registered Office:**

J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade,  
Nr, Ganjifarak Mill Compound, Nr.  
Rakhial Char Rasta, Rakhial, Ahmadabad  
- 380 023

**Place:** Ahmedabad

**Date:** 24<sup>th</sup> August, 2023

**By the Order of the Board  
Vortex Cotfab Limited**

Sd/-

**Mithleshkumar Agrawal  
Managing Director  
DIN: 03468643**

Sd/-

**Aakash Thakor  
Director  
DIN: 07960192**

## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
Vaxtex Cotfab Limited**

We have examined the compliance of conditions of Corporate Governance by Vaxtex Cotfab Limited (the Company), for the financial year ended on 31<sup>st</sup> March, 2023 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**FOR, GAURAV BACHANI & ASSOCIATES,  
COMPANY SECRETARIES**

**GAURAV V. BACHANI**  
PROPREITOR  
ACS No.: 61110  
COP No.: 22830  
FRN: S2020GJ718800  
Peer Review Certificate No.: 2126/2022  
UDIN: A061110E000805260

Date: 15<sup>th</sup> August, 2023  
Place: Ahmedabad

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

**To,  
The Members of  
Vaxtex Cotfab Limited**

J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade,  
Nr, Ganjifarak Mill Compound,  
Nr. Rakhial Char Rasta, Rakhial, Ahmadabad – 380 023

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vaxtex Cotfab Limited having CIN: L51109GJ2005PLC076930 and having registered office at J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade, Nr, Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmadabad – 380 023 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in the Company</b>
1	Mr. Mithleshkumar Agrawal	03468643	15-02-2018
2	Mr. Aakash Thakor	07960192	12-11-2020
3	Ms. Ziral Soni	09213763	30-06-2021
4	Mr. Pranav Vajani	09213749	22-01-2022
5	Mr. Digesh Deshaval	09218553	25-03-2022
6	Mr. Kunjal Soni	08160838	25-03-2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR, GAURAV BACHANI & ASSOCIATES,  
COMPANY SECRETARIES**

**GAURAV V. BACHANI**  
PROPREITOR  
ACS No.: 61110  
COP No.: 22830  
FRN: S2020GJ718800  
Peer Review Certificate No.: 2126/2022  
UDIN: A061110E000805282

Date: 15<sup>th</sup> August, 2023  
Place: Ahmedabad

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

**Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations, 2015**

This is to certify that the Company has laid down the rules for Code of Conduct for the members of the Board and senior management, as per the Regulation 17 of SEBI (LODR) Regulations, 2015.

I hereby further certify that the Company has received affirmation on compliance with rules of Code of Conduct, from the Board Members and senior management personnel for the financial year ended on March 31, 2023, as per the requirement of Regulation 26(3) of SEBI (LODR) Regulations, 2015.

**Registered Office:**

J-03 (GF to 4<sup>th</sup> Floor) Tejendra Arcade,  
Nr, Ganjifarak Mill Compound, Nr.  
Rakhial Char Rasta, Rakhial, Ahmadabad  
- 380 023

Place: Ahmedabad

Date: 24<sup>th</sup> August, 2023

**By the Order of the Board  
Vortex Cotfab Limited**

Sd/-

**Mithleshkumar Agrawal  
Managing Director  
DIN: 03468643**

## **Independent Auditor's Report**

### **To the Members of Vaxtex Cotfab Limited**

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

##### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Vaxtex Cotfab Limited** ('the Company'), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss, including statement of other comprehensive income, cash flow statement and statement of changes in equity for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

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

##### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	The Company has granted loan to the related parties. We consider granting loan to related parties as a key audit matter as it constitutes significant percentage of loan given.	We have verified the relevant records and found in accordance with company's policy. Based on the above procedure and, in our opinion the management's determination is considered to be reasonable.

### **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 Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

This responsibility also includes 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 Ind AS 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 responsible for overseeing the company's financial reporting process.



## **Auditor's Responsibility for the audit of Standalone Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Standalone 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 Act, we are also responsible for expressing our opinion on whether the entity 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our

auditors' 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") 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 the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules 2015 as amended.
  - (e) on the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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**"; and
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement;
    - iv.

- The Management has represented that, to the best of its knowledge and belief, 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;
- The Management has represented, that, to the best of its knowledge and belief, 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
- Based on such audit procedures that we have considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement;
- There is no dividend declared or paid during the year by the Company and hence provisions of section 123 of the companies Act, 2013 are not applicable.

**For, SSRV & Associates**  
**Chartered Accountants**  
**FRN: 135901W**

**Date: 08/05/2023**  
**Place: Mumbai**  
**UDIN: 23403437BGWDJT3566**

**Vishnu Kant Kabra**  
**Partner**  
**Mem. No. 403437**

## Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2023, we report that:

- (i) (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
    - (ii) The Company does not hold any intangible assets and accordingly, the requirements under paragraph 3(i)(a)(B) of the Companies (Auditor's Report) Order, 2020 ("the Order") are not applicable to the Company;
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner 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. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- (ii) (A) (a) The stock of Inventories has been physically verified by the management at reasonable intervals commensurate with size and nature of the business.
    - (b) In our opinion and according to the information and explanation given to us, the procedures for physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of business.
    - (c) The company has maintained reasonable records for Inventories of raw material and finished goods lying at factory premises. As regards to work in process, we were informed that though it is not possible to compare individual items with the available records, on an overall basis, no discrepancy was disclosed.
  - (B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.
- (iii) The company has made investments in firm and granted unsecured loans to other parties during the year, in respect of which:

- a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable
- b) In our opinion, the investments made and the terms and conditions of the grant of loans are prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, no schedule of repayment of principal and payment of interest has been stipulated; hence question of regularity of repayment or receipts does not arise.
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date
- e) No loan granted by the Company has fallen due during the year and has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) The Company has granted Loans as mentioned in point 3 (a) [B]. 100% loans are repayable on demand and without specifying any terms or period of repayment.

Sl.	Particulars	Amount of loan advanced during the period	Outstanding balance as on 31.03.2023 (rs. in lacs)
1.	Loan Granted to Promoters	48.00	48.00
2.	Loan Granted to Related Parties excluding Promoters	2620.09	2616.42

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) 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 Section 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.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods or services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the

appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

- (b) According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable except of the following:

Statue	Nature of dues	Amount	Forum where dispute is pending	Assessment Year
Income Tax Act, 1961	Income Tax	Rs. 182.56 lacs	CIT (Appeals)	2012-13

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings to any lender
- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank of financial institution or government or any government authority.
- (c) No term loans has been availed by the company during the year.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate firm.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate firm.
- (x) (a) The company has not raised money by the way of initial public offer or further public offer (including debt instruments) hence the clause 3(x)(a) of the Order is not applicable
- (b) According to the information and explanations given to us and on an overall examination of the balance sheet, the preferential allotment of shares was in accordance with section 42 and section 62 of the companies' act 2013. The funds raised have been used for the purposes for which they were raised.

- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year
- (b) According to the information and explanations given to us, no report under sub section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report
- (c) According to the information and explanations given to us no whistle-blower complaints, if any, received during the year by the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company have an internal audit system commensurate with the size and nature of its business.
- (b) We have considered report of the internal auditors for the period under audit; issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures;
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, there is no core investment company within the group (as defined in the Core Investment Companies (Reserve Bank Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.
- (xvii) The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements

and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) Since the provisions of section 135 of the Companies Act, 2013 with regard to corporate social responsibility are not applicable to the company hence the clause 3(xx) of the Order is not applicable.

**For, SSRV & Associates**  
**Chartered Accountants**  
**FRN: 135901W**

**Date: 08/05/2023**  
**Place: Mumbai**  
**UDIN: 23403437BGWDJT3566**

**Vishnu Kant Kabra**  
**Partner**  
**Mem. No. 403437**



**Annexure - B to Independent Auditors' Report of even date on the Standalone Ind AS financial statement of the Vaxtex Cotfab Limited ("the Company")**

**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 Vaxtex Cotfab Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the Standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 with reference to these financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements**

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 Ind AS 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 Ind AS 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 Ind AS financial statements.

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, SSRV & Associates**  
**Chartered Accountants**  
**FRN: 135901W**

**Date: 08/05/2023**  
**Place: Mumbai**  
**UDIN: 23403437BGWDJT3566**

**Vishnu Kant Kabra**  
**Partner**  
**Mem. No. 403437**

**Vortex Cotfab Limited**  
**L51109GJ2005PLC076930**  
**BALANCE SHEET AS AT 31st March, 2023**

Particulars	Note. No.	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	2	364.88	390.42
Financial Assets			
Investments	3	7.50	7.50
<b>Total Non Current Assets</b>		<b>372.38</b>	<b>397.92</b>
<b>Current Assets</b>			
Inventories	4	134.25	540.76
Financial Assets			
Investment	5	102.77	97.36
Trade receivables	6	1,822.07	619.46
Cash and cash equivalents	7	9.30	14.94
Loans & Advances	8	4,130.76	594.89
Other Financial Assets	9	30.70	30.70
Current Tax Assets (Net)	10	15.78	66.33
Other Current Assets	11	330.44	36.45
<b>Total Current Assets</b>		<b>6,576.08</b>	<b>2,000.90</b>
<b>Total Assets</b>		<b>6,948.47</b>	<b>2,398.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	1,262.90	1,003.92
Other Equity	13	1,085.34	32.02
<b>Total Equity</b>		<b>2,348.24</b>	<b>1,035.94</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	517.56	603.31
Deferred Tax liability (Net)	15	24.09	24.09
<b>Total Non Current Liabilities</b>		<b>541.65</b>	<b>627.40</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	1.67	142.01
Trade Payables	17		
Total outstanding dues of micro and small enterprise total outstanding dues of creditors other than micro and small enterprise		13.21	278.69
Other Current Liabilities	18	1,115.39	11.78
Provisions	19	1.06	55.59
<b>Total Current Liabilities</b>		<b>4,058.58</b>	<b>735.49</b>
<b>Total Liabilities</b>		<b>6,948.47</b>	<b>2,398.83</b>
<b>NOTES TO ACCOUNTS</b>			
1			
As per our Report of even date attached		For and on behalf of the Board of Directors of Vortex Cotfab Limited	
<b>FOR S S R V &amp; Associates</b>			
Firm Registration No. 135901W.			
Vishnu Kant Kabra Partner M. No.: 403437. PLACE: MUMBAI	MITHLESHKUMAR AGRAWAL Managing Director DIN 03468643	PRATAPSINGH ZALA (CFO) PAN: AACPZ3621J	
DATE :- 8th May, 2023 UDIN: 23403437BGWDJT3566	AAKASH THAKOR Director DIN 07960192		

**Vortex Cotfab Limited**

L51109GJ2005PLC076930

**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31st March 2023**

Particulars	Note. No.	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
<b>Revenue</b>			
Revenue from operations	20	7,562.15	6,190.74
Other Income	21	89.19	37.59
<b>Total Revenue (I)</b>		<b>7,651.34</b>	<b>6,228.33</b>
<b>Expenses:</b>			
Cost of material consumed	22	6,625.02	5,775.35
Purchase of stock in trade			
Change in inventories of finished goods, WIP and stock in trade	23	406.51	370.24
Employee Benefit Expense	24	71.06	101.25
Finance Costs	25	62.82	107.77
Depreciation and Amortisation Expenses	2	27.85	29.92
Other Expenses	26	497.60	383.39
<b>Total Expenses (II)</b>		<b>7,690.86</b>	<b>6,027.45</b>
<b>Exceptional Items</b>		<b>155.42</b>	<b>-</b>
<b>Profit before tax (I) - (II)</b>		<b>115.89</b>	<b>200.88</b>
Tax expense:			
Current tax		2.69	46.62
Deferred Tax (Asset)/Liability		-	5.67
<b>Total Tax Expense</b>		<b>2.69</b>	<b>52.29</b>
<b>Profit for the period (III)</b>		<b>113.20</b>	<b>148.59</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the year (IV)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year (III+IV)</b>		<b>113.20</b>	<b>148.59</b>
<b>Earning per equity share:</b>			
Basic	27	0.11	0.15
Diluted		0.11	0.15

**NOTES TO ACCOUNTS**

1

As per our Report of even date attached

For and on behalf of the Board of Directors of  
Vortex Cotfab Limited

FOR S S R V &amp; Associates

Firm Registration No. 135901W.

Vishnu Kant Kabra

Partner

M. No.: 403437.

PLACE: MUMBAI

DATE :- 8th May, 2023

UDIN: 23403437BGWDJT3566

MITHLESHKUMAR AGRAWAL

Managing Director

DIN 03468643

PRATAPSINGH ZALA

(CFO)

PAN: AACPZ3621J

AAKASH THAKOR

Director

DIN 07960192

**Vaxtex Cotfab Limited**

L51109GJ2005PLC076930

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 March, 2023**

Sl. No.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
<b>1</b>	<b>Cash flow from operating activities</b>		
	Profit / (Loss) Before tax	115.89	200.87
	<b>Adjustments for :</b>		
	Depreciation, amortisation and impairment	27.85	29.92
	Finance costs	62.82	107.50
	Interest/Dividend income	(36.05)	(37.59)
	<b>Operating profit before working capital changes</b>	170.52	300.69
	(Increase)/Decrease in Trade receivables	(1,202.61)	(335.68)
	(Decrease)/Increase in Trade Payables	2,414.36	1,300.06
	(Increase)/Decrease in Loans & Advances	(3,535.87)	(226.19)
	(Increase)/Decrease in Current investments	(5.41)	-
	(Increase)/Decrease in Inventories	406.51	(370.24)
	(Decrease)/Increase in Short term borrowings	(140.34)	-
	(Decrease)/Increase in Other Current Liabilities & Provisions	1,049.07	52.51
	(Increase) in other current Assets	(293.99)	(0.60)
	<b>Cash generated from operations</b>	(1,137.76)	720.56
	Income Tax Paid (net)	47.86	(46.62)
	<b>Net cash generated by operating activities</b>	(1,089.90)	673.94
<b>2</b>	<b>Cash flow from investing activities</b>		
	(Purchases)/Sale of fixed assets	(2.31)	(35.80)
	Interest received	36.05	37.59
	Loans and advances given / repaid	-	(274.04)
	Investment in others	-	(97.36)
	<b>Net cash generated by investing activities</b>	33.73	(369.60)
<b>3</b>	<b>Cash flow from financing activities</b>		
	Increase/(Repayment) of Short term borrowings	-	69.98
	Proceeds from issue of equity shares	1,199.10	-
	Interest Expense & Finance Costs	(62.82)	(107.50)
	Increase/(Repayment) of long term borrowings	(85.75)	(263.27)
	<b>Net cash generated by financing activities</b>	1,050.53	(300.79)
	<b>Net (decrease)/increase in cash &amp; cash equivalents (1+2+3)</b>	(5.64)	3.55
	<b>Cash and cash equivalents cash flow statement at beginning of period</b>	14.94	11.39
	<b>Cash and cash equivalents cash flow statement at end of period</b>	9.30	14.94

As per our Report of even date attached

For and on behalf of the Board of Directors of Vaxtex  
Cotfab LimitedFOR S S R V & Associates  
Firm Registration No. 135901W.Vishnu Kant Kabra  
Partner  
M. No.: 403437.  
PLACE: MUMBAI  
DATE :- 8th May, 2023  
UDIN: 23403437BGWDJT3566MITHLESHKUMAR AGRAWAL      PRATAPSINGH ZALA  
Managing Director                      (CFO)  
DIN 03468643                              PAN: AACPZ3621JAAKASH THAKOR  
Director  
DIN 07960192

## VAXTEX COTFAB LIMITED

## STATEMENT OF CHANGES IN EQUITY

## A. EQUITY SHARE CAPITAL

[in Lacs]  
Amount

As at 1st April, 2021	602.35
Changes in equity share capital	401.57
As at 31st March, 2022	1,003.92
Changes in equity share capital	258.98
As at 31st March, 2023	1,262.90

## B OTHER EQUITY

[in Lacs]

Particulars	Securities Premium Account	Capital Redemption Reserve	Capital Reserve	Surplus as per Statement of Profit and Loss	Other Comprehensive income	Total
					Remeasurement gain/(loss) on defined benefit plans	
<b>Balance as at 1st April, 2021</b>	<b>223.44</b>	-	-	<b>61.56</b>	-	<b>285.00</b>
Bonus shares issued	223.44	-	-	178.13	-	401.57
Profit For The Year	-	-	-	151.81	-	151.81
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-
Add. Excess / (Short) provision of Income Tax	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>-</b>	-	-	<b>35.24</b>	-	<b>35.24</b>
Premium received on shares issued	940.11	-	-	-	-	940.11
Profit For The Year	-	-	-	113.20	-	113.20
Add:- Remeasurement gain/(loss) on defined benefit plans	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>940.11</b>	-	-	<b>148.45</b>	-	<b>1,088.56</b>

As per our Report of even date attached

For and on behalf of the Board of directors of Vaxtex Cotfab Limited

FOR S S R V & Associates  
Firm Registration No. 135901W.Vishnu Kant Kabra  
Partner  
M. No.: 403437.  
PLACE: MUMBAI  
DATE :- 8th May, 2023MITHLESHKUMAR AGRAWAL  
Managing Director  
DIN 03468643  
PRATAP Singh ZALA  
(CFO)  
PAN: AACP23621JAAKASH THAKOR  
Director  
DIN 07960192

## M/S. VAXTEX COTFAB LIMITED

CIN NO.: L51109GJ2005PLC076930

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2023

Note : 1 Property plant &amp; equipment

(Amt. in Rs. lacs)

Sr. No	Particulars	Gross Block				Depreciaton Block				Net Block	
		As at 01.04.2022	Addition during the year	Deduction during the year	As at 31.03.2023	As at 01.04.2022	For the period ended	Deduction	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
A)	<b>Tangible Assets</b>										
	Plant & machinery	392.28	2.3139062	-	394.59	24.46	23.40	-	47.85	346.74	367.82
	computer	0.42	-	-	0.42	0.07	0.11	-	0.18	0.24	0.35
	Office Equipments	0.22	-	-	0.22	0.01	0.01	-	0.03	0.19	0.20
	Air Conditioner	7.20	-	-	7.20	0.44	0.43	-	0.87	6.33	6.76
	Electrical Installations	0.30	-	-	0.30	0.02	0.02	-	0.04	0.26	0.28
	Vehicle	19.95	-	-	19.95	4.92	3.89	-	8.81	11.13	15.02
	<b>TOTAL (A)</b>	<b>420.35</b>	<b>2.31</b>	<b>-</b>	<b>422.66</b>	<b>29.92</b>	<b>27.85</b>	<b>-</b>	<b>57.78</b>	<b>364.88</b>	<b>390.42</b>
Sr. No	Particulars	Gross Block				Depreciaton Block				Net Block	
		As at 01.04.2021	Addition during the year	Deduction during the year	As at 31.03.2022	As at 01.04.2021	For the period ended	Deduction	As at 31.03.2022	As at 31.03.2022	As at 01.03.2021
A)	<b>Tangible Assets</b>										
	Plant & machinery	377.66	14.62	-	392.28	-	24.46	-	24.46	367.82	377.66
	computer	0.04	0.38	-	0.42	0.12	0.07	-	0.07	0.35	0.08
	Office Equipments	0.22	0.00	-	0.22	0.04	0.01	-	0.01	0.20	0.17
	Air Conditioner	6.34	0.86	-	7.20	0.00	0.44	-	0.44	6.76	6.34
	Electrical Installations	0.30	0.00	-	0.30	0.01	0.02	-	0.02	0.28	0.29
	Vehicle	0.00	19.95	-	19.95	-	4.92	-	4.92	15.02	-
	<b>TOTAL (A)</b>	<b>384.55</b>	<b>35.80</b>	<b>-</b>	<b>420.35</b>	<b>0.18</b>	<b>29.92</b>	<b>-</b>	<b>29.92</b>	<b>390.42</b>	<b>384.37</b>

**Vaxtex Cotfab Limited**  
CIN NO.: L51109GJ2005PLC076930

Notes Forming Integral Part of the Financial statements for the year ended 31st March,2023

**Note : 3 Investments**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Investment in Unquoted equity shares at cost (Fully Paid up) 75000 shares of Rs. 10 each of Arubadaya Co-operative bank ltd.	7.50	7.50
<b>Total</b>		<b>7.50</b>	<b>7.50</b>

**Note : 4 Inventories**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Finished Goods (Valued at lower of cost or net realisable value)	134.25	540.76
<b>Total</b>		<b>134.25</b>	<b>540.76</b>

**Note : 5 Investments**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Investment in others (In Fixed Deposits with banks)	102.77	97.36
<b>Total</b>		<b>102.77</b>	<b>97.36</b>

**Note : 6 Trade Receivables**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	<b>a) Unsecured, Considered Good :</b>		
	Outstanding for a period more then six months	592.16	450.73
	Others Trade Receivables	1229.91	168.73
<b>Total</b>		<b>1,822.07</b>	<b>619.46</b>

**Note : 7 Cash & Cash Equivalent**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Cash-on-Hand	9.30	14.92
ii	Balance with Scheduled Banks	-	0.02
<b>Total [ A + B ]</b>		<b>9.30</b>	<b>14.94</b>



**Note : 8 Loans and Advances**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Unsecured, Considered Good : Others	4130.76	594.89
	<b>Total</b>	<b>4,130.76</b>	<b>594.89</b>

**Note : 9 Other Current Financial Assets**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Others	30.70	30.70
	<b>Total</b>	<b>30.70</b>	<b>30.70</b>

**Note : 10 Current Tax Assets**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Balance with revenue authorities (Net of provision for taxes)	15.78	66.33
	<b>Total</b>	<b>15.78</b>	<b>66.33</b>

**Note : 11 Other Current Assets**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Other deposits	4.62	4.62
ii	Balance with revenue authorities	39.58	-
iii	Advance to suppliers	286.25	31.84
	<b>Total</b>	<b>330.44</b>	<b>36.45</b>

**Vaxtex Cotfab Limited**  
CIN NO.: L51109GJ2005PLC076930

Notes Forming Integral Part of the Financial statements for the year ended 31st March, 2023.

**Note : 12 Equity Share Capital**

Sr. No	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	<b>AUTHORISED CAPITAL</b> 17,00,00,000 Equity Shares of Rs. 1/- each (Previous year 5,50,00,000 Equity Shares of Rs. 2/- each)	1700.00	1100.00
		1,700.00	1,100.00
ii	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> 12,62,90,100 Equity Shares of Rs. 1/- each (Previous year 5,01,95,815 Equity Shares of Rs. 2/- each)	1262.90	1003.92
	<b>Total</b>	<b>1,262.90</b>	<b>1,003.92</b>

iv	The company has only one class of equity shares having a par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.					
v	The company has issued bonus shares to their then existing shareholder during the period of January 2022 to March 2022. Company has issued shares for consideration other than cash to Vaxfab Enterprises Limited in their board meeting held on 21st february 2023. Total 25898470 shares were allotted of face value Rs. 1 each at a premium of Rs. 3.63 per share on preferential basis. The company has not bought back its shares.					
vi	<b>Details of shares held by shareholder holding more than 5% of the aggregate shares in the Company.</b>	<b>31st March, 2023 (Amt. in Rs. lacs)</b>		<b>31st March, 2022 (Amt. in Rs. lacs)</b>		
	<b>Particulars</b>	<b>No. of shares (in lacs)</b>	<b>% holding in the class</b>	<b>No. of shares (in lacs)</b>	<b>% holding in the class</b>	
	Vax Enterprises Pvt. Ltd.	114.94	9.10%	180.79	36.02%	
	Vaxfab Enterprises Ltd. (Associate Concern)	258.98	20.50%	-	0.00%	
	QMIN Industries Pvt. Ltd.	201.19	15.93%	180.79	36.02%	
vii	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:					
					(No. in lacs)	
	<b>Equity Shares</b>	<b>Opening Balance</b>	<b>New Issue</b>	<b>Issue Bonus</b>	<b>Split</b>	<b>Closing Balance</b>
	Year Ended 31st March 2022					
	No of Shares	60.24	-	40.16	401.57	501.96
	Amount (Rs.)	602.35	-	401.57	-	1003.92
	Period End March 2023					
	No of Shares	501.96	258.98	-	501.96	1,262.90
	Amount (Rs.)	1003.92	258.98	-	-	1,262.90
	Aggregate number of bonus shares issued during the period of five years immediately preceeding the					
					(No. in lacs)	
	<b>Financial Years</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
	<b>Fully paid up bonus shares (Rs 10/- each)</b>	Nil	40.25	Nil	40.16	Nil
viii	<b>Shares held by promoters</b>	<b>No. of shares (in lacs)</b>		<b>% holding in the class</b>		
	<b>Particulars</b>	<b>No. of shares (in lacs)</b>	<b>% holding in the class</b>	<b>No. of shares (in lacs)</b>	<b>% holding in the class</b>	<b>% change during the year</b>
	Vax Enterprises Pvt. Ltd.	114.94	9.10%	180.79	36.02%	-26.92%
	Mithleshkumar Agrawal	2.33	0.18%	-	0.00%	0.18%
	QMIN Industries Pvt. Ltd.	201.19	15.93%	180.79	36.02%	-20.09%
	Khushant Gupta	1.83	0.14%	0.92	0.18%	-0.04%
	Sanjay Agrawal	1.83	0.14%	0.92	0.18%	-0.04%
	Bharti Gupta	7.38	0.58%	3.69	0.74%	-0.16%
	Kresha Gupta	0.62	0.04%	1.44	0.29%	-0.25%
ix	During the year split of shares has taken place from Rs. 2 per share to Rs. 1 per share.					

**Note : 13 Other Equity**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	<b>Securities Premium</b>		
	Opening Balance	-	223.44
	Less : Bonus shares issued	-	223.44
	Add: Securities Premium on shares issued	940.11	-
	Closing Balance	940.11	-
ii	<b>Surplus/Deficit in Profit &amp; Loss Account</b>		
	Balance brought forward from previous year	32.02	61.56
	Add: Profit / (Loss) for the period	113.20	148.59
	Less : Bonus shares issued	-	178.13
		145.23	32.02
	<b>Total</b>	<b>1,085.34</b>	<b>32.02</b>

**Note : 14 Non Current Borrowings**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	<b>Secured Loans</b>		
	<i>Term Loan</i>		
	<i>From Banks</i>	13.94	603.31
ii	<b>Unsecured (Repayable on demand)</b>		
	Loans & Advances From Inter Corporates	451.87	-
	Loans & Advances From Related Parties	51.75	-
	<b>Total</b>	<b>517.56</b>	<b>603.31</b>

Loans from related party also includes loan payable to Directors of the Company. No interest is paid towards the said loan.

Vehicle loans has been secured by way of hypothecation of the vehicle purchased from the loan. Total 60 EMIs payable of Rs. 25890 starting from 1st February, 2020 for KIA Seltos Loan from Kotak Mahindra Bank outstanding of the same as on 31.03.2023 is Rs. 5.41 lacs. Total 60 EMIs payable of Rs. 26050 starting from 1st April, 2021 for Innova Toyota Loan from Kotak Mahindra Bank outstanding of the same as on 31.03.2023 is Rs. 8.53 lacs.

**Note :15 Deffered Tax Liability**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Opening balance	24.09	18.42
	Add: Recognised during the year	-	5.67
	<b>Closing Deferred Tax Asset</b>	<b>24.09</b>	<b>24.09</b>

**Note : 16 Current Borrowings**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	<b>Secured Loans</b>		
	Loans repayable on demand (Bank Overdraft) (Secured against Fixed deposit)	1.67	-
ii	<b>Unsecured (Repayable on demand)</b>		
	Loans & advances from related parties	-	142.01
	<b>Total</b>	<b>1.67</b>	<b>142.01</b>

**Note : 17 Trade Payables**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Total outstanding dues of micro enterprises and small enterprises	13.21	278.69
ii	Total outstanding dues of other than micro enterprises and small enterprises	2927.26	247.42
	<b>Total</b>	<b>2,940.47</b>	<b>526.11</b>

**Note:-**

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

a.	Principal and interest amount remaining unpaid	13.21	278.69
b.	Interest due thereon remaining unpaid	-	-
c.	Interest paid by the company in terms of section 16 of the Micro, Small and Medium enterprise Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Macro, Small and Medium Enterprise Act, 2006	-	-
e.	Interest accrued and remaining unpaid	-	-
f.	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	-	-

**Note : 18 Other Current Liabilities**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Statutory Liabilities	5.32	11.78
ii	Advance from customers	935.35	-
iii	Other Payables	174.72	-
	<b>Total</b>	<b>1,115.39</b>	<b>11.78</b>

**Note : 19 Current Provisions**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Provision for Others	-	55.60
ii	Provision for expenses	1.06	-0.01
	<b>Total</b>	<b>1.06</b>	<b>55.59</b>

**Vortex Cotfab Limited**  
CIN NO.: L51109GJ2005PLC076930

Notes Forming Integral Part of the Financial statements for the period ended March 2023.

**Note : 20 Revenue from Operations**

SI.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Sale of Products	6703.79	6190.74
ii	Other Operating Revenue	858.36	-
	<b>Total</b>	<b>7,562.15</b>	<b>6,190.74</b>

**Note : 21 Other Income**

SI.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Interest Income	36.05	37.59
ii	Other Income	53.14	-
	<b>Total</b>	<b>89.19</b>	<b>37.59</b>

**Note : 22 Cost of material consumed**

SI.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Purchases, Including Incidental Expenses	6625.02	5775.35
	<b>Total</b>	<b>6,625.02</b>	<b>5,775.35</b>

**Note : 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

SI.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Inventory at the beginning of the year	540.76	170.52
ii	Inventory at the end of the year	134.25	540.76
	<b>Total</b>	<b>406.51</b>	<b>370.24</b>

**Note : 24 Employee Benefit Expenses**

SI.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Salary, Bonus & Wages	69.42	99.75
ii	Staff Welfare Expenses	1.01	0.81
iii	Contribution to Provident and other Funds	0.62	0.69
	<b>Total</b>	<b>71.06</b>	<b>101.25</b>

**Note :25 Finance Cost**

SI.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Interest on Borrowings	62.82	107.77
	<b>Total</b>	<b>62.82</b>	<b>107.77</b>

**Note : 26 Other Expenses**

Sl.	Particulars	31st March, 2023 (Amt. in Rs. lacs)	31st March, 2022 (Amt. in Rs. lacs)
i	Auditor's Remuneration	0.53	0.54
ii	Advertisement Exp	0.61	0.23
iii	Balance written off	48.64	0.00
iv	Commission on Sales Charges	0.38	0.29
v	Conveyance Expenses	0.08	0.29
vi	Courier Expenses	0.01	0.24
vii	Donation	0.42	0.00
viii	Power & Fuel	80.12	123.41
ix	Factory Expenses	19.17	23.70
x	Rent Expenses	58.71	47.48
xi	Repair & Maintenance	37.53	0.00
xii	Insurance Expenses	3.46	0.78
xiii	Interest Paid On income tax	0.23	0.17
xiv	Legal & Professional Charges	11.35	5.98
xv	Labour Contract	141.20	144.92
xvi	Loss in shares	23.38	0.00
xvii	Miscellaneous Expenses	0.00	2.42
xviii	Mobile And Internet Expenses	0.01	0.03
xix	Nsdl/Cdsl Service Charges	7.57	0.34
xx	Office Expenses	0.31	0.59
xxi	Rate Difference	0.62	0.00
xxii	Rates and taxes	0.32	3.31
xxiii	Stores Materials	17.72	13.25
xxiv	ROC Expences	4.61	0.30
xxv	Security Service Charges	11.63	1.98
xxvi	Stationary & Printing Exp	10.77	0.79
xxvii	Tea And Coffee Expenses	0.43	1.09
xxviii	Transportation Expenses	15.73	10.42
xxix	Travelling Expenses	2.03	0.85
<b>Total</b>		<b>497.60</b>	<b>383.39</b>

**Note :27 Earning Per Share**

Sl.	Particulars	31st March, 2023	31st March, 2022
i	Net profit for the year attributable to equity shareholders (No. in lacs)	113.20	148.59
ii	Weighted-average-number of equity shares outstanding (No. in lacs)	1030.88	1003.92
iii	Basic Earnings Per Share (Face Value of Rs. 1 each)(In Rs.)	0.11	0.15
iv	Diluted Earnings Per Share (Face Value of Rs. 1 each) (In Rs.)	0.11	0.15

**28. Contingent Liabilities not provided for in respect of:****(Amt. in Rs. lacs)**

<b>Particulars</b>		<b>(Amt. in Rs. lacs)</b>	
		<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>
<b>35.1</b>	<b>Claims/disputed liabilities not acknowledged as liability:</b>		
(a)	PROCEEDINGS UNDER SECTION 9 OF IBC (Shree Shyam Avenues Private Limited has filed a petition in Ahmedabad bench of National company law tribunal on 17/10/2022 for recovery of the dues. The company has filed objections along with reply to quash and set aside the notice of demand and to stay on the notice of demand during pending admission and hearing of the present petition).	133.74	-
(b)	Income Tax demand raised by Income tax Department for Assesemnt year 2012-2013 , Against that Appeal has been filed at Commissioner of Income Tax - Appeal.	182.56	182.56

Cash outflows for the above cases are determinable only on receipt of judgements pending at various forums/authorities.

**29. Details of Related Party Transactions**

Name of related Party	Relationship
PRATAPSINGH ZALA	KMP
JAIMIN GUPTA	Others
Stitched Textiles Limited	Others
Bharti Gupta	Others
MITHLESH AGRAWAL	KMP
Kresha Gupta	Others
Kailash Gupta	Others
VAX ENTERPRISE PRIVATE LIMITED	ASSOCIATE COMPANY
QMIN INDUSTRIES PRIVATE LIMITED	ASSOCIATE COMPANY
HEARMO TECH PRIVATE LIMITED	Entity in which KPM/Relative of KMP having significant influence
7NR RETAIL LIMITED	Others
VAXFAB ENTERPRISES LIMITED	ASSOCIATE COMPANY
RIDDHI VOHRA	KMP
AAKASH THAKOR	Director
ZIRAL SONI	Director
Kunjali Soni	Director
Pranav Manoj Vajani	Director
Digesh Deshaval	Director

(Amount in lacs)

Particulars	KMP	Others	Entity in which KPM/Relative of KMP having significant influence	Associate
Sitting fees	9.87 (0.30)	-	-	-
Loan Received	21.75	4.89 (142.01)	-	-
Remuneration	6.86 (3.45)	-	-	-
Loan Given	- (1)	2668.09 (1.08)	-	-
Repayment of loan given	-	2.59	-	-
Loan Repayment	-	145.00	-	-
Purchase	-	771.36	1,144.45	1352.01 (413.07)
Sales	-	289.72	-	494.22 (566.63)

Figures in brackets relates to previous year ended on 31st March, 2022

**Details of Major Related Party Transactions**

(Amount in lacs)

Name of related Party	Relationship	Nature	2022-23	2021-22
Stitched Textiles Limited	Others	Loan Given	2,545.09	-
Hearmo Tech Private Limited	Entity in which KPM/Relative of KMP having significant influence	Purchase	1,144.45	-
Vaxfab Enterprises Limited	Associate	Purchase	1,143.08	-
Stitched Textiles Limited	Others	Purchase	2,303.05	1,048.29



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2023**

### **1. Corporate Information**

Vaxtex Cotfab Limited (the company) is a Public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Corporate Identity Number: L51109GJ2005PLC076930, the registered office of the company is located at J-03 (GF to 4th Floor) Tejendra Arcade, Nr, Ganji farak Mill Compound, Nr. Rakhial Char Rasta Rakhial Ahmadabad City Ahmedabad Gujarat, 380023.

The Company is engaged in manufacturing and processing of fabrics of Shirting and Suiting.

#### **Significant accounting policies followed by the company:**

##### **1.1 Basis of preparation**

###### **(i) Statement of compliance**

The 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 from time to time and other accounting principal generally accepted in India.

###### **(ii) Basis of Measurement**

These financial statements prepared and presented under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participant at the measurement date.

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All values are rounded off to the nearest rupees, unless otherwise indicated.

###### **(iii) Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

- (iii) Level 3 : inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **(iv) Use of estimates and judgments**

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

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

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected. Significant judgments and estimates about the carrying amount of assets and liabilities include useful lives of tangible and intangible assets, impairment of tangible assets, intangible assets including goodwill, investments, employee benefits and other provisions and recoverability of deferred tax assets.

#### **1.2 The significant estimates and assumption are required in particulars for the following**

##### **(i) Property, plant and equipment.**

This involves determination of the estimated useful life of the property, plant and equipment and intangible assets if any and the assessment as to which component of the cost may be capitalised. The useful life of the assets is based on the life as prescribed in schedule II to the Companies Act 2013 or based on the technical estimates, taking in to account the nature of the assets, estimated usages, expected residual value and operating conditions of the assets. The Management reviews its estimate of the useful lives of depreciable assets at each reporting dates, based on the expected utility of the assets.

##### **(ii) Impairment of Non-Financial Assets.**

Determining whether property, plant and equipment and other intangible assets are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a discounted cash flow model over the estimated useful life of the underlying assets or cash generating unit. Further, the cash flow projection is based on the estimates and assumption relating to expected revenue, operational performance of the assets, market price of the related product or services, inflation, terminal value etc. Which are considered by the management.

**(iii) Income Taxes.**

The companies tax jurisdiction in India, the significant judgements are involved in estimating budgeted profit for the purpose of the paying advances taxes, determining the provision for income tax, including amount of income tax excepted to be paid. The significant management judgement also required to determine the amount of deferred tax assets that can be recognised, based on timing and level of future taxable profit.

**(iv) Fair value measurement of the financial instruments.**

In estimating the fair value of the financial assets and financial liability, the company uses market observable data to the extent available. Where such level -1 inputs are not available, the company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. The judgement includes considerations inputs such as liquidity risk, credit risk and volatility. The changes in assumptions about these factors could affect the reported fair value of the financial instruments.

**(V) Defined benefits plans (Gratuity Benefits).**

The cost of the defined benefit of gratuity plan and present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in future. These includes the determination of the discount rate, future salary increase / decrease and mortality rates. Due to complexity involved in the valuation and its long-term nature, a defined benefit obligations is highly sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

**( vi) Classification of Assets, current and non-current.**

The assets or liability is classified as current, if it satisfies the any of the following condition.

- (i) The assets / Liability expected to be realised or paid in the company's normal operating cycle.
- (ii) The assets are intended for sales or consumption.
- (iii) The assets / liability held for the purpose of trade or business
- (iv) The Assets / liability is expected to be realised/ settled within 12 months After reporting period.
- (v) The assets are cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after reporting date.
- (vi) In case of liability, the company does not have an unconditional right to deter settlement of the liability for at least 12 months after the reporting date.

All other assets or liabilities are classified as non-current. Deferred assets and Deferred liability are classified as current assets or liability respectively.

For the purpose of current / non-current classification of assets and liabilities, the company has ascertained its normal operating cycle as 12 months. This is based on nature of the

business and the time between the acquisition of assets or inventories for processing and their realisation in cash or cash equivalents.

### 1.3 Summary of significant accounting policies

#### 1. Property, Plant and Equipment.

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 probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

#### Depreciation methods, estimated useful lives and residual value

Depreciation is provided on written down value basis as specified schedule II of the companies Act 2013. Depreciation on assets acquired / disposed off during the year if any, is provided on pro-rata basis with reference to the date of addition / disposal. The estimated useful lives of assets are as under:

Class of assets	Useful Life
Building	30 Years
Plant & Machinery	15 Year
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Vehicles	8 Years
Computers	3 Years

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### Capital work in process

Expenditure related to and incurred during the implementation of capital project, to get the assets ready for intended use is shown under "capital work in process". The same is allocated to the respective items' property, plant and equipment on completion of construction / erection of the capital assets. The cost of assets not put to use before the year and capital inventory are disclosed under Capital work in process.

#### Impairment of Tangible Assets

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or there coverable amount of the cash generating unit to which the asset belongs is less than it carrying amount, the carrying amount

is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

## **2. Inventories**

Inventories are stated 'at cost or net realisable value, whichever is lower' except for Waste / Scrap which are valued at net realisable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out. 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

## **3. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company has only single business segment hence the detailed disclosure related to segment reporting is not required to be made.

## **4. Borrowings**

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

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in Statement of Profit and Loss as finance costs.

## **5. Borrowing costs**

Borrowing cost directly attributable to the acquisition, construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use, capitalised as part of cost of asset. The borrowing costs includes interest and transaction cost that a company incurs in connection with the borrowing of the funds. Other interest and borrowing costs are charged to Statement of Profit and Loss.

## **6. Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

## **7. Revenue recognition**

The revenue from contract with customer is recognised upon transfer of control of promised product or services to the customer in an amount that reflect the consideration, which the company expect to receive in exchange of product or service. The revenue is measured based on the transaction price, which is the consideration, adjusted for discount and other incentives if any. The Amount of consideration to which the company expect to be entitled in exchange for transferring promised goods or service to a customer excluding amounts collected on behalf of third parties (Duties & Taxes on behalf of Government).

The specific recognition criteria from various steam of revenue are described as under:

- (i) Sales of Goods:  
Revenue from sales of the goods is recognised when the control of the goods has been passed to the customers as per terms of agreement and there is no continuing effective control or managerial involvement with goods.
- (ii) Interest Income:  
Interest income is accrued on a time basis, by reference to the principal outstanding amount and at the effective interest rate applicable, the future cash receipt through the expected life of the financial asset to that asset's carrying amount on initial recognition.

## **8. Trade Receivable**

A receivable represents the company's right to an amount of consideration that is unconditional i.e., only passage of time required before payment of consideration is due.

The Expected credit loss is mainly based on the historical experience. The receivables are assessed on an individual basis for credit loss. The trade receivables are written of on cases-to-cases basis, if deemed not to be collectable on assessment and circumstances.

## 9. Employee benefits

Employee's benefit includes gratuity, compensated absences, contribution to provided fund, employees state insurance and superannuation fund.

### (i) Short-term Benefits

Employee benefit payable wholly within 12 months of rendering services are classified as short-term employee benefit and recognised in the period which the employee renders services. These are recognised at the undiscounted amount of the benefit expected to be paid in exchange for those services.

### (ii) Post-employment Benefit

#### (a) Defined contribution Plan

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The company has no obligation other than the contribution payable to the provident fund. The company recognises contribution payable to such funds as an expenditure, when an employee renders services.

#### (b) Defined Benefit Plans

The company operates a defined benefit gratuity plan. The cost of providing benefit under the defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary.

Remeasurement gains or losses arising from changes in actuarial assumptions, the same are recognised immediately in balance sheet through other comprehensive income in the period in which they occurred.

#### (c) Other Long-term employee Benefits

Other long-term employee benefits include compensated absences / leaves. The actuarial valuation is done as per projected unit method. Remeasurement gains or losses arising from changes in actuarial assumptions, the same are recognised immediately in balance sheet through other comprehensive income in the period in which they occurred.

#### (d) For the purpose of the presentation of the defined benefit plans and other long-term benefits, the allocation between current and noncurrent provision has been made as determined by the actuary.

## 10. Foreign currency translation

### a) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

## **b) Transactions and balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

## **11. Earnings Per Share**

Basic earnings per share (EPS) are computed by dividing the profit or loss attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of equity shares, for the effects of all diluted potential equity shares.

## **12. Government Grants**

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

## **13. Cash and Cash Equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## **14. Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial



statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## Other disclosures forming part of the standalone Ind AS Financial Statements

### 30. Financial Instruments – Disclosure

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

#### (i) Capital management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the company is able to provide maximize return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The company board of directors reviews the capital structure on a regular basis. As part of this review, the board considers cost of capital, risk associated with each class of capital requirements and maintenance of adequate liquidity.

#### Disclosures

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet item that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes.

#### (i) Categories of Financial Instruments

Particulars	As At 31 <sup>st</sup> March 2023	As At 31 <sup>st</sup> March 2022
Financial Assets (Measured at Amortized Cost)		
Investment	110.27	104.86
Trade receivables	1,822.07	619.46
Cash and cash equivalents	9.30	15.01
Loans & Advances	4,130.76	594.89
Other Financial Assets	30.70	30.70
<b>Total</b>	<b>6,103.11</b>	<b>1,364.86</b>

Particulars	As At 31 <sup>st</sup> March 2023	As At 31 <sup>st</sup> March 2022
Financial Liabilities (Measured at Amortized Cost)		
- Borrowings	519.23	745.32
- Trade Payable	2,940.47	526.11
<b>Total</b>	<b>3,459.70</b>	<b>1,271.43</b>

The carrying amount of current financial assets and liabilities as at the end of each year presented approximate the fair value because of their short-term nature. The trade receivables, trade payables, borrowings, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

**(ii) Fair value measurements**

This note provides information about how the company determines fair value of various financial assets. Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

**(iii) Fair value hierarchy**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted price included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs are not based on observable market data. Fair values are determined in whole or in part using a valuation model based on the assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data

1. The Company did not have any long-term contracts, including derivatives contract for which there were any material foreseeable losses.

**31. Financial Risk Management Framework**

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, receivables from government authorities, security deposits and cash and cash equivalents that derive directly from its operations. The company also holds investments. The corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the Board of Directors of the company for monitoring risks and reviewing policies implemented to mitigate risk exposures.

### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include loan and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee. There have been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

### **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 undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The company's exposure to currency risk relates primarily to the company's operating activities and borrowings when transactions are denominated in a different currency from the company's functional currency. The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and borrowings.

### **Price Risk**

The Company's investments in listed securities, mutual funds, other funds and debentures are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the price risk through diversification and by placing limits on individual and total equity instruments. Reports on the portfolio are submitted to the Company's senior management on a regular basis.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long-term debt obligations with floating interest rates. The loans advanced as at March 31, 2023 is Rs. 4130.76 lacs (previous year Rs. 594.89 lacs) which are interest bearing and interest rates are variable.

## Liquidity risk

### i. Liquidity risk management

The company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Chief Financial Officer of the company is responsible for liquidity risk management who has established an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Chief Financial Officer reports the same to the Board of Directors on quarterly basis.

32. Pursuant to the approval of the Board of Directors in their meeting held on 21<sup>st</sup> February 2023 allotted 25898470 shares of face value Rs. 1 each at a premium of Rs. 3.63 each aggregating to Rs. 11.99 crores for consideration other than cash (i.e. against sale of goods) on a preferential basis.

33. Previous year figures have been regrouped, whenever necessary to confirm to current year classification.

### 34. Accounting Ratios

Sr. No.	Ratios	Numerator	Denominator	31.03.2023	31.03.2022	% Variance	Reasons
1	Current Ratio	Current Assets	Current liabilities	1.62	2.72	-40.44%	
2	Debt-Equity Ratio	Total debt	Shareholder's Equity	0.23	0.61	-61.91%	Change in debt equity ratio due to issue of share capital during the year.
3	Debt service coverage ratio	Earning available for debt servicing	Total debt service	33.14	54.32	-38.99%	Change in DSCR is due to decrease in earnings available for debt service.
4	Return on Equity Ratio	Profit after taxes	Average shareholder's equity	0.11	0.15	-25.43%	Change in return on equity ratio is due to decrease in Net profit
5	Inventory turnover ratio (in days)	Cost of goods sold	Average inventory	479.92	540.20	-11.16%	

6	Trade Receivables turnover ratio(In days)	Revenue from operations	Average trade receivables	53.09	44.22	20.07%	Change in turnover ratio is due to less recovery in the last quarter from receivables
7	Trade Payables turnover ratio(In days)	Purchase of goods & services and other expense	Average trade payables	87.95	30.68	186.69%	Change in turnover ratio is due to less recovery in the last quarter from receivables further leading to accumulation of trade payable balances
8	Net capital turnover	Revenue from operations	Working capital	0.04	0.03	19.25%	
9	Net profit ratio	Net profit after taxes	Revenue from operations	0.01	0.02	-38.95%	Change in net profit ratio is due to decrease in Net profit
10	Return on capital employed	Earnings before interest and tax	capital employed	0.06	0.19	-66.67%	Change in return employed is due to decrease in EBIT.
11	Return on investment	Income from investments	Cost of investment	0.05	0.02	96.51%	Change in income from investment is due to increase in interest income from fixed deposits.

35. The financial statements were authorized for issue in accordance with a resolution passed by the Board of Directors on 8th May, 2023. The financial statements as approved by the Board of Directors are subject to final approval by its Shareholders.

36. Ageing schedule of trade receivables and payables.

**Trade Payable Ageing as at March 31, 2023****Outstanding for following periods from due date of payment**

<b>Particulars</b>	<b>Less than 1 Year</b>	<b>1-2 Year</b>	<b>O/S for 2-3 Years</b>	<b>More than 3 Years</b>	<b>Total</b>
MSME	13.20	-	-	-	13.20
Others	2,792.48	134.77	-	-	2,927.26
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
<b>Total</b>	<b>2,805.69</b>	<b>134.77</b>	<b>-</b>	<b>-</b>	<b>2,940.46</b>

**Trade Payable Ageing as at March 31, 2022****Outstanding for following periods from due date of payment**

<b>Particulars</b>	<b>Less than 1 Year</b>	<b>1-2 Year</b>	<b>O/S for 2-3 Years</b>	<b>More than 3 Years</b>	<b>Total</b>
MSME	278.69	-	-	-	278.69
Others	247.42	-	-	-	247.42
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
<b>Total</b>	<b>526.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>526.11</b>

**Trade Receivable Ageing as at  
March 31, 2023**

**Outstanding for following periods from the date of transaction**

<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 months -1 year</b>	<b>O/S for 1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Years</b>	<b>Total</b>
Undisputed Trade receivables - considered good	1,229.91	592.16	-	-	-	1,822.07
Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>1,229.91</b>	<b>592.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,822.07</b>

**Trade Receivable Ageing as at  
March 31, 2022**

**Outstanding for following periods from the date of transaction**

<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 months -1 year</b>	<b>O/S for 1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 Years</b>	<b>Total</b>
Undisputed Trade receivables - considered good	168.73	450.73	-	-	-	619.46
Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>168.73</b>	<b>450.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619.46</b>

**37. Other statutory disclosures**

- The company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- The company has not carried out any revaluation of it's Property, Plant and Equipment.
- The company holds all properties in it's own name
- The company do not have any transactions with struck off companies.
- The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- The company have not traded or invested in Crypto currency or Virtual Currency during the year



- The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - 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,
- The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - 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 to or on behalf of the Ultimate Beneficiaries

**As per our Report of even date attached**

**For and on behalf of the Board of directors of  
Vortex Cotfab Limited**

**FOR S S R V & Associates  
Firm Registration No. 135901W**

**Vishnu Kant Kabra  
Partner  
M. No.: 403437  
PLACE: MUMBAI  
DATE :- 8th May, 2023  
UDIN: 23403437BGWDJT3566**

<b>MITHLESHKUMAR AGRAWAL</b>	<b>PRATAPSINGH ZAL</b>
<b>Managing Director</b>	<b>CFO</b>
<b>DIN: 03468643</b>	<b>PAN:AACPZ3621J</b>

**AAKASH THAKOR  
Director  
DIN: 07960192**