

VAXTEX COTFAB LIMITED

Suiting & Shirting Fabrics

Vaxtex Cotfab Limited

CIN: L51109GJ2005PLC076930

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www.vaxtexcotfabltd.com

Date: 6th September, 2022

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 2021-22

Ref: Security Id: VCL / Series: EQ

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 17th Annual General Meeting of the Company to be held on Wednesday, 28th September, 2022 at 3:00 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
17TH ANNUAL REPORT
2021-22

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Company Information

<u>Board of Directors</u>	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
<u>Audit Committee</u>	Mr. Pranav Vajani	Chairperson
	Mr. Aakash Thakor	Member
	Ms. Ziral Soni	Member
<u>Nomination and Remuneration Committee</u>	Mr. Pranav Vajani	Chairperson
	Mr. Aakash Thakor	Member
	Ms. Ziral Soni	Member
<u>Stakeholders' Relationship Committee</u>	Mr. Aakash Thakor	Chairperson
	Mr. Pranav Vajani	Member
	Ms. Ziral Soni	Member
<u>Key Managerial Personnel</u>	Mr. Mithleshkumar Agrawal	Managing Director
	Mr. Pratapsingh Zala	Chief Financial Officer
	Ms. Riddhi Vohra	Company Secretary
<u>Statutory Auditor</u>	M/s. S S R V & Associates, Chartered Accountants, Mumbai	
<u>Secretarial Auditor</u>	M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad	
<u>Share Transfer Agent</u>	Bigshare Services Private Limited, A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G. Road, Navrangpura, Ahmedabad – 380 009	
<u>Registered Office</u>	Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad – 382 405	
<u>Website</u>	www.vaxtextcotfabltd.com	

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 17th Annual General Meeting of the Shareholders of **Vaxtex Cotfab Limited** will be held on Wednesday, 28th September, 2022 at 3:00 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 31st March, 2022 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 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 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."

SPECIAL BUSINESS:

3. To contribute to bona fide charitable funds

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

"RESOLVED THAT, in accordance with the provisions of Section 181 read with other applicable provisions of the Companies Act, 2013 ("the Act"), including any modification or re-enactments thereof for the time being in force, and subject to article of the association of the company, the consent of the members of the company be and hereby given to the Board of Directors making contributions or donations to any bona fide Charitable funds or Trusts in India for an amount up to Rs. 1,00,00,000/- (Rs. One Crore only) i.e. exceeding five percent of average net profits of the company during any three immediately preceding financial years."

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

Registered Office:

Survey No. 230, Opp. Mariya Park, B/h.
Ranipur Village, Saijpur - Gopal, Narol,
Ahmedabad – 382 405

Place: Ahmedabad

Date: 5th September, 2022

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

Sd/-

**Mithleshkumar Gupta
Managing Director
DIN: 03468643**

Notes:

1. In view of the continuing COVID-19 pandemic, the 17th Annual General Meeting (AGM) will be held on Wednesday, 28th September, 2022 at 3:00 P.M. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013 read with Ministry of Corporate Affairs' (MCA) General Circular no. 14/2020 dated 8th April, 2020, MCA General Circular no. 17/2020 dated 13th April, 2020, MCA General Circular No. 20/2020 dated 5th May, 2020, MCA General Circular No. 22/2020 dated 15th June, 2020, MCA General Circular No. 02/2021 dated 13th January, 2021 and Circular No. 02/2022 dated 5th May, 2022 and SEBI Circulars dated 12th May, 2021 and 15th January, 2021 and in compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 17th 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 and / or at 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, Company website i.e.

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.

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 5th May, 2022 and MCA Circular No. 02/2022 dated 5th May, 2022.

9. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

10. In compliance with the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 will be available on website of the Stock Exchange, i.e., National Stock Exchange of India Limited at www.nseindia.com, Company website i.e. www.vaxtextcotfabltd.com and on the website of NSDL at <https://www.evoting.nsdl.com/>. Annual Report will not be sent in physical form.

11. Members of the Company holding shares, either in physical form or in Dematerialized form as on 2nd September, 2022 will receive Annual Report for the financial year 2021-22 through electronic mode only.

12. The Register of Members and Share Transfer Books will remain closed from 21st September, 2022 to 28th September, 2022 (both days inclusive) for the purpose of Annual General Meeting (AGM).

13. 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.

14. In terms of the provisions of Section 152 of the Act, Mr. Aakash 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.

15. Mr. Aakash 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.

16. 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.

17. 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.

18. 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.

19. 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 1st 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.
20. 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.
21. 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.
22. 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 and / or at info@accuratesecurities.com. The same will be replied / made available by the Company suitably.
23. 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.
24. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
25. 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.
26. 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.
27. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
28. The Company has set 21st September, 2022 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 seventeenth 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 25th September, 2022 at 9:00 A.M. and ends on 27th September, 2022 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. 21st September, 2022, 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 21st September, 2022.

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="536 707 1377 1227">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL 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 & voting during the meeting.<li data-bbox="536 1227 1377 1361">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<li data-bbox="536 1361 1377 1874">3. 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. 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 e-Voting service provider - NSDL 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.

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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 e-Voting service provider-NSDL 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 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 with a copy marked to 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 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 or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at 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.
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). 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 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). 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:

In accordance with the section 181 of the companies Act, 2013, the company is required to obtain approval of the member before making any contribution to any charitable contribution to any charitable funds beyond certain amount i.e. exceeding five percent of average net profits of the company during any three immediately preceding financial years.

In accordance with the provisions of Section 181 read with other applicable provisions of the Companies Act, 2013 ("the Act"), including any modification or re-enactments thereof for the time being in force, and subject to article of the association of the company, the consent of the members of the company be and hereby given to the Board of Directors making contributions or donations to any bona fide Charitable funds or Trusts in India for an amount up to Rs. 1,00,00,000/- (one Crore) i.e. exceeding five percent of average net profits of the company during any three immediately preceding financial years."

Further, Board of Directors of the Company may contribute or donate to any bona fide charitable funds or Trusts on behalf of the Company if they deem fit in the financial year 2022-23.

The Board of directors recommends passing of the resolution set out in Item No. 3 of the accompanying Notice.

None of other Director, Key Managerial Personnel of the company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution.

Registered Office:

Survey No. 230, Opp. Mariya Park, B/h.
Ranipur Village, Saijpur - Gopal, Narol,
Ahmedabad - 382 405

Place: Ahmedabad

Date: 5th September, 2022

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

Sd/-

**Mithleshkumar Gupta
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 directors 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	Sales and Marketing
Terms and Conditions of Appointment along with remuneration sought to be paid	N.A
Remuneration last drawn by such person, if any	N.A
No. of Shares held in the Company as on 31 st March, 2022	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	8
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 17th Annual Report on the Business and Operations of the Company along with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2022.

1. FINANCIAL RESULT

The financial performance of the Company for the Financial Year ended on 31st March, 2022 and for the previous Financial Year ended on 31st March, 2021 is given below:

Particulars	(Rs. in Lakhs)	
	2021-22	2020-21
Revenue from Operations	6,190.74	2,615.45
Other Income	37.59	6.49
Total Income	6,228.33	2,621.94
Total Expenses	6,027.46	2,595.68
Profit Before Tax	200.87	26.26
Tax Expense:		
Current Tax	46.62	4.11
Deferred Tax	(5.67)	4.32
Total Tax expense	40.95	8.43
Profit / Loss for the Period	148.58	17.83
Earnings Per Share (EPS)		
Basic	0.30	0.30
Diluted	0.30	0.30

2. OPERATIONS

Total revenue for Financial Year 2021-22 is Rs. 6,228.33 Lakhs compared to the total revenue of Rs. 2,621.94 Lakhs of previous Financial Year. The Company has incurred Profit before tax for the Financial Year 2021-22 of Rs. 200.87 Lakhs as compared to Profit before tax of Rs. 26.26 Lakhs of previous Financial Year. Net Profit after Tax for the Financial Year 2021-22 is Rs. 148.58 Lakhs as against Net Profit after tax of Rs. 17.83 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 31st March 2022 is available on the Company's website at 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 8 (Eight) times viz 30th June, 2021, 4th September, 2021, 13th November, 2021, 7th January, 2022, 22nd January, 2022, 10th February, 2022, 9th March, 2022 and 25th March, 2022.

6. BONUS ISSUE

In the Extra-Ordinary General Meeting of the Company held on 13th December, 2021, Company had approved to issue bonus shares in proportion of 2 (Two) share for every 3 (Three) existing equity shares held by the members.

7. SUBDIVISION OF EQUITY SHARES

In the Extra-Ordinary General Meeting of the Company held on 8th March, 2022, Company had approved Subdivision of the Equity Shares of the Company. After the Subdivision of the Equity Shares of the Company, face value of the equity shares is Rs. 2/-.

8. MIGRATION FROM SME EMERGE PLATFORM TO MAIN BOARD PLATFORM

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

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 31st March, 2022 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 31st March, 2022.
- 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, Subsidiaries, 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 31st March, 2022. 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

Sr. No.	Particulars	Amount (in Rs.)
1.	Surplus/Deficit in Profit & Loss Account at the beginning of the year	61,56,595
2.	Current Year's Profit / Loss	1,48,57,593
3.	Short Provision of Tax	0
4.	Securities Premium / Issuance of Bonus Share	(1,78,12,631)
	Total	32,01,557

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 2021-22 (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 2021-22 (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 ¹	Managing Director	03468643
2.	Mr. Aakash Thakor	Non-Executive Director	08158195
3.	Mr. Pratapsingh Zala	Chief Financial Officer	AACPZ3621J
4.	Mr. Pranav Vajani ²	Independent Director	09213749
5.	Ms. Priyanka Joshi ³	Company Secretary	ASTPJ9651R
6.	Mr. Jaimin Gupta ⁴	Chief Executive Officer	BHDPG4108C
7.	Ms. Ziral Soni ⁵	Independent Director	09213763
8.	Mr. Dhaval Patel ⁶	Independent Director	07770039
9.	Mr. Digesh Deshaval ⁷	Independent Director	09218553
10.	Mr. Kunjal Soni ⁷	Independent Director	08160838
11.	Ms. Riddhi Vohra ⁸	Company Secretary	BYKPR6523A
12.	Ms. Nidhi Bansal ⁹	Company Secretary	DZEPB5499C

¹The designation of Mr. Mithleshkumar Agrawal has been changed from Director to Managing Director of the Company w.e.f. 9th March, 2022.

²Mr. Pranav Vajani has been appointed as Independent Director of the Company w.e.f. 22nd January, 2022.

³Ms. Priyanka Joshi has resigned from the post of Company Secretary of the Company w.e.f. 30th June, 2021.

⁴Mr. Jaimin Gupta has resigned from the post of Chief Executive Officer of the Company w.e.f. 9th March, 2022.

⁵Ms. Ziral Soni has been appointed as Independent Director of the Company w.e.f. 30th June, 2021.

⁶Mr. Dhaval Patel has resigned from the post of Independent Director of the Company w.e.f. 30th June, 2021.

⁷Mr. Kunjal Soni and Mr. Digesh Deshaval has been appointed as Independent Director of the Company w.e.f. 25th March, 2022.

⁸Ms. Riddhi Vohra has been appointed as Company Secretary of the Company w.e.f. 1st July, 2022.

⁹Ms. Nidhi Bansal was appointed as Company Secretary of the Company w.e.f. 7th January, 2022 and has resigned from the post of Company Secretary of the Company w.e.f. 30th June, 2022.

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 2021-22 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.

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. DEPOSITS

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 behaviour, 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 2021-22.

32. STATUTORY AUDITOR

M/s. SSRV & Associates, Chartered Accountants, Mumbai (Firm's Registration No. 135901W), were appointed as the Statutory Auditors of the Company. The Auditor's report for the financial year ended 31st March, 2022 has been issued with an unmodified opinion, by the Statutory Auditors.

33. SECRETARIAL AUDITOR

The Board appointed M/s. Gaurav Bachani & Associates, Company Secretaries, Ahmedabad to conduct Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Report for the financial year ended 31st March, 2022 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 30th June, 2021, 4th September, 2021, 13th November, 2021 7th January, 2022 and 22nd January, 2022 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 ¹	Chairman	1	1
Ms. Ziral Soni ²	Member	5	5
Mr. Aakash Thakor	Member	5	5

¹Mr. Pranav Vajani has been appointed as Chairperson of the Committee w.e.f. 22nd January, 2022.

²Ms. Ziral Soni has been appointed as Member of the Committee w.e.f. 30th June, 2021.

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 30th June, 2021, 7th January, 2022, 22nd January, 2022, 9th March, 2022 and 25th March, 2022 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 ¹	Chairman	3	3
Ms. Ziral Soni ²	Member	5	5
Mr. Aakash Thakor	Member	5	5

¹Mr. Pranav Vajani has been appointed as Chairperson of the Committee w.e.f. 22nd January, 2022.

²Ms. Ziral Soni has been appointed as Member of the Committee w.e.f. 30th June, 2021.

C. Composition of Stakeholders Relationship Committee:

During the year under review, meetings of members of Stakeholders' Relationship committee as tabulated below, was held on 30th June, 2021, 4th September, 2021, 13th November, 2021 and 22nd January, 2022 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	4	4
Ms. Ziral Soni ²	Member	4	4
Mr. Pranav Vajani ¹	Member	1	1

¹Mr. Pranav Vajani has been appointed as Member of the Committee w.e.f. 22nd January, 2022.

²Ms. Ziral Soni has been appointed as Member of the Committee w.e.f. 30th June, 2021.

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

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:

Survey No. 230, Opp. Mariya Park,
B/h. Ranipur Village, Saijpur - Gopal,
Narol, Ahmedabad – 382 405

Place: Ahmedabad

Date: 5th September, 2022

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

Sd/-
Mithleshkumar Gupta
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.

Name (s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
Mr. Jaimin Gupta	Relative of Promoter Group	Loan Received	1 st April, 2021 to 31 st March, 2022	Rs. 1,07,670/-	As per note below	As per note below
Ms. Bharti Gupta	Promoter Group	Unsecured Loan	1 st April, 2021 to 31 st March, 2022	Rs. 1,42,00,945/-	As per note below	As per note below
M/s. Stitched Textiles Limited	Related Party Company	Purchase	1 st April, 2021 to 31 st March, 2022	Rs. 10,48,28,579/-	As per note below	As per note below
		Sale		Rs. 2,70,73,032/-		
M/s. Brand Cluster LLP	Related Party Company	Purchase	1 st April, 2021 to 31 st March, 2022	Rs. 4,76,18,990/-	As per note below	As per note below
M/s. Vax Enterprise Private Limited	Associate Company	Purchase	1 st April, 2021 to 31 st March, 2022	Rs. 3,83,58,181/-	As per note below	As per note below
		Sale		Rs. 3,14,26,184/-		
M/s. Qmin Pharma Private Limited	Associate Company	Purchase	1 st April, 2021 to 31 st March, 2022	Rs. 29,48,828/-	As per note below	As per note below
		Sale		Rs. 2,52,37,139/-		

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

Registered Office:

Survey No. 230, Opp. Mariya Park,
B/h. Ranipur Village, Saijpur - Gopal,
Narol, Ahmedabad – 382 405

Place: Ahmedabad

Date: 5th September, 2022

Sd/-

Mithleshkumar Gupta
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 2021-22
			Member	Chairman	
Mr. Mithleshkumar Agrawal	Promoter-Executive Director	-	-	-	8

Mr. Aakash Thakor	Non - Executive Director	1	-	-	8
Ms. Ziral Soni	Independent Director	3	4	1	7
Mr. Pranav Vajani	Independent Director	5	3	3	3
Mr. Digesh Deshaval	Independent Director	3	2	-	-
Mr. Kunjal Soni	Independent Director	2	-	-	-

@ 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	No	Yes
Ms. Ziral Soni	Yes	Yes	Yes	Yes	No
Mr. Pranav Vajani	Yes	Yes	Yes	Yes	No
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

8 (Eight) Board Meetings were held during the year 2021-22. The dates on which the Board meetings were held are: 30th June, 2021, 4th September, 2021, 13th November, 2021, 7th January, 2022, 22nd January, 2022, 10th February, 2022, 9th March, 2022 and 25th March, 2022.

Management Committee formed by Board of Directors to oversee day to day operations of the Company, which consist of 1 (One) Executive Director and 1(One) Non-Executive Director subject to supervision and control of the Board of Directors. The Management Committee formed by the Board makes decision within the authority delegated. All decisions/ recommendation of the Committees is placed before the Board for information and/or its approval.

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 2021- 22 is given below:

No. of Board Meeting held & attended during 2021-22	Name of Director					
	Mr. Mithleshkumar Agrawal	Mr. Aakash Thakor	Ms. Ziral Soni	Mr. Pranav Vajani	Mr. Digesh Deshaval	Mr. Kunjal Soni
30-06-2021	Yes	Yes	Yes	N.A.	N.A.	N.A.
04-09-2021	Yes	Yes	Yes	N.A.	N.A.	N.A.
13-11-2021	Yes	Yes	Yes	N.A.	N.A.	N.A.
07-01-2022	Yes	Yes	Yes	N.A.	N.A.	N.A.
22-01-2022	Yes	Yes	Yes	Yes	N.A.	N.A.
10-02-2022	Yes	Yes	Yes	Yes	N.A.	N.A.
09-03-2022	Yes	Yes	Yes	Yes	N.A.	N.A.
25-03-2022	Yes	Yes	Yes	Yes	Yes	Yes
Total attended	8	8	8	4	1	1
% of attendance	100	100	100	100	N.A.	N.A.
Whether attended Last AGM held on 28-09-2021	Yes	Yes	Yes	N.A.	N.A.	N.A.

(h) Disclosure of Relationship between Directors inter se

No Directors of the Company are inter se related.

(i) Shareholding of Non-Executive Directors

Name of Directors	No. of Shares held	% of shareholding
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
Total	0	0.00

(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, 2022, 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 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 5th 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 30th 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 2nd 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:

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

(c) Audit Committee Meetings

5 [Five] Audit Committee Meetings were held during the year 2021-22. The dates on which the Audit Committee Meetings were held are: 30th June, 2021, 4th September, 2021, 13th November, 2021, 7th January, 2022 and 22nd January, 2022.

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 2021-22 is given below:

Name of Member	No. of Audit Committee Meeting held & attended during 2021-22					Total attended	% of attendance
	30-06-2021	04-09-2021	13-11-2021	07-01-2022	22-01-2022		
Mr. Pranav Vajani	N.A.	N.A.	N.A.	N.A.	Yes	1	100
Mr. Aakash Thakor	Yes	Yes	Yes	Yes	Yes	5	100
Ms. Ziral Soni	Yes	Yes	Yes	Yes	Yes	5	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 2nd April, 2019. Presently the “Nomination and Remuneration Committee” comprises following qualified and Independent Directors being a member of the Committee.

(b) Nomination and Remuneration Committee Meeting

During the year under review, Nomination and Remuneration Committee (“NRC”) Meeting was held on 30th June, 2021, 7th January, 2022, 22nd January, 2022, 9th March, 2022 and 25th March, 2022. The Committee has passed circular resolutions on 12th 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.

(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 & Whole-Time 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 2021-2022.

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 17th Annual General Meeting. Terms of Appointment of the Managing Director as per the resolutions passed by Board and Shareholders are as under:

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 2021-22 are as under:

Sr. No.	Name of Director	Commission	Sitting Fees
1	Mr. Pranav Vajani	Nil	Nil
2	Mr. Aakash Thakor	Nil	Nil
3	Ms. Ziral Soni	Nil	Nil
4	Mr. Digesh Deshaval	Nil	Nil
5	Mr. Kunjal Soni	Nil	Nil

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 Thakor

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

Remuneration paid to Mr. Aakash Thakor during the year 2021-22: NIL

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 2nd 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:

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

(b) Stakeholders' Relationship Committee Meetings:

4 [Four] meetings were held during the year 2021-22. The dates on which the Stakeholders' Relationship Committee Meetings were held are: 30th June, 2021, 4th September, 2021, 13th November, 2021 and 22nd January, 2022.

Names of the members on the Committee, their Attendance in the Stakeholders' Relationship Committee Meetings, % of attendance during the year 2021-22 is given below:

Name	No. of Committee Meeting				Total attendance	% of attendance
	30-06-2021	04-09-2021	13-11-2021	22-01-2022		
Mr. Aakash Thakor	Yes	Yes	Yes	Yes	4	100
Mr. Pranav Vajani	N.A.	N.A.	N.A.	Yes	1	100
Ms. Ziral Soni	Yes	Yes	Yes	Yes	4	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. Riddhi Vohra, Company Secretary & Compliance Officer

Vaxtex Cotfab Limited.
Survey No. 230, Opp. Mariya Park,
B/h. Ranipur Village, Saijpur - Gopal,
Narol, Ahmedabad – 382 405

Tel. No.: +91 97244 96973

Email: vaxtexcotfab@gmail.com

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

Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 2021-22.**Quarter-wise Summary of Investors' Complaints received and resolved**

Quarter Period		Opening	Received	Resolved	Pending
From	To				
01-04-2021	30-06-2021	Nil	Nil	Nil	Nil
01-07-2021	30-09-2021	Nil	Nil	Nil	Nil
01-10-2021	31-12-2021	Nil	Nil	Nil	Nil
01-01-2022	31-03-2022	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 BODY MEETINGS:

(a) Annual General Meeting

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

Year	Venue	Date	Time
2018-19	Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad - 382 405	28-09-2019	11:30 A.M.
2019-20	Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad - 382 405	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.

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

The Company has not passed any Special Resolution at the last three Annual General Meeting.

(c) Postal Ballot Resolutions

The Company had passed following special resolutions were passed through Postal Ballot as on 9th March, 2022:

1. To approve of Migration of Listing / Trading of the Company from NSE Emerge to Main Board of National Stock Exchange of India Limited (NSE)
2. To make an application of listing of Equity Shares of the Company on Main Board of BSE Limited (BSE)

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 2021-22. Related party transaction during the year have been disclosed vide note no. 25 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 5th 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 18th 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 2021-22, 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 – ₹ 54,000/-

(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 17th 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 2021-22 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 2021-22. 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	Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad - 382 405
2	Annual General Meeting	28 th September, 2022 at 3:00 P.M. Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to MCA / SEBI Circulars.
3	Financial Year	1 st April, 2022 to 31 st March, 2023
4	Financial Results	
	1 st Quarter	45 days from end of Quarter 30 th June, 2022
	Half Year ended	45 days from end of Quarter 30 th September, 2022
	Nine Months ended	45 days from end of Quarter 31 st December, 2022
	Year ended	60 days from end of Financial Year i.e. 31 st March, 2023
5	Book Closure Dates	21 st September, 2022 to 28 th September, 2022 (both days inclusive)
6	Dividend Payment Date	Not Applicable
7	Listing of Shares on Stock	National Stock Exchange of India Limited

	Exchanges	The Company has paid the annual listing fees for the financial year 2021-22 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: EQ and Symbol: VCL
9	Registrar and Share Transfer Agents : Registrars and Share Transfer Agents (RTA) 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: bssahd@bigshareonline.com

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, 2021	44.95	36.75	2,46,000
May, 2021	49.00	37.50	2,49,000
June, 2021	51.00	36.05	1,65,000
July, 2021	47.50	34.70	2,82,000
August, 2021	59.50	46.55	4,02,000
September, 2021	75.00	58.00	2,31,000
October, 2021	98.25	73.65	1,77,000
November, 2021	118.50	97.95	60,000
December, 2021	136.20	71.00	66,000
January, 2022	91.00	76.10	4,13,000
February, 2022	126.00	89.00	2,85,000
March, 2022	120.00	22.50	3,23,000

12. Distribution of Shareholding as on 31st March, 2022:

No. of Equity Shares Held	No. of Share Holders	% of Share Holders	No. of Equity Shares Held	% of total Holding
1-5000	0	0	0	0
5001-10000	0	0	0	0
10001-20000	59	37.82	737,500	1.47
20001-30000	20	12.82	500,000	1.00
30001-40000	8	5.13	300,000	0.60
40001-50000	27	17.31	1,350,000	2.69
50001-100000	22	14.10	1,764,785	3.52
100001-∞	20	12.82	45,543,530	90.73
Total	156	100.00	50,195,815	100.00

13. Category of Shareholders as on 31st March, 2022:

Category	No. of Shares held	% of Shareholding
Promoters (Directors, Relatives & Group Companies)	36970815	73.65
Clearing Member	225000	0.45
Corporate Bodies	562500	1.10
Non Resident Indian	812500	1.00
HUF	50000	1.60
Public	11575000	23.00

14. Dematerialization of Shares & Liquidity

The Company's shares are in compulsory demat segment and as on 31st March, 2022, 5,01,95,815 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 31st March, 2022.

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.

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 31st March, 2022 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: A061110D000806833

Date: 17th August, 2022
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**

Survey No. 230, Opp. Mariya Park,
B/h. Ranipur Village, Saijpur - Gopal,
Narol, Ahmedabad – 382 405

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 Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad – 382 405 (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) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Mr. Mithleshkumar Agrawal	03468643	15-02-2018
2	Mr. Aakash Thakor	08158195	12-11-2018
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: A061110D000806800

Date: 17th August, 2022

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, 2022, as per the requirement of Regulation 26(3) of SEBI (LODR) Regulations, 2015.

Registered Office:

Survey No. 230, Opp. Mariya Park, B/h.
Ranipur Village, Saijpur - Gopal, Narol,
Ahmedabad - 382 405

Place: Ahmedabad

Date: 5th September, 2022

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

Sd/-

**Mithleshkumar Gupta
Managing Director
DIN: 03468643**

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 31st March, 2022.

Registered Office:

Survey No. 230, Opp. Mariya Park,
B/h. Ranipur Village, Saijpur - Gopal,
Narol, Ahmedabad – 382 405

Place: Ahmedabad

Date: 5th September, 2022

Sd/-

Mithleshkumar Gupta

Managing Director

DIN: 03468643

By the Order of the Board

Vaxtex Cotfab Limited

Sd/-

Aakash Thakor

Director

DIN: 07960192

FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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
Survey No. 230, Opp. Mariya Park,
B/h. Ranipur Village, Saijpur - Gopal,
Narol,
Ahmedabad – 382 405

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 31st March, 2022, 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 31st March, 2022, 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: A061110D000883338

Date: 31st August, 2022

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: A061110D000883338

Date: 31st August, 2022
Place: Ahmedabad

Management Discussion and Analysis

A. Industry structure and developments

The global textile industry has been facing exceptionally challenging conditions since the past two years due to the restrictions imposed because of the Covid-19 pandemic. Further, the global supply chain had seen unprecedented levels of pressure and disruption due to logistical impasse. This led to delayed delivery resulting into reduced product shelf life and increased inventory at importer / retailer level which resulted in reduction in export orders / delayed picking of confirmed orders, apart from sharp increase in vessel shipping cost. Further, prodigious liquidity globally led to a proliferation in commodity prices including Cotton, Dyes, Chemicals, Coal, etc.

On a positive note, from the beginning of Q2 of FY 2021-22 post relaxation in Covid-19 induced restrictions, domestic market is showing an uptake in demand.

B. Opportunities and Threats

Accelerated reopening of activities have re-opened opportunities for the textile market which were quiet for a long time. Further, China plus one policy by USA and Europe will lead to increase in demand for the Indian Market. With an added advantage of high quality standards and globally renowned accreditations, our Company will be forging ahead with its sustainability vision to build potential so as to grab opportunities coming its way. Currently the biggest threat is the enormous increase in cotton prices leading to high finished good prices. Consumers are therefore shifting their focus from cotton to man-made fibres. Further, increase in prices of other commodities such as coal, dyes and chemicals is also making the industry non-competitive.

C. Outlook

Coming year will be challenging with respect to pricing. We must focus more on offering new products meeting customer retail price points. Also focus will be on blending with man-made fibers which can fit into the price bracket, acceptable to buyers. Further geographic presence will be increased, and new markets will be explored.

D. Risks and concerns

There is a proliferation in cotton prices which cannot be absorbed in finished goods prices. Preference is shifting from Cotton fibre to man-made fibres i.e. synthetic, polyester etc., which are available at lower prices. This is putting pressure on margin.

Your Company continues to strengthen its robust Risk Management Framework and the same was reviewed by the Audit Committee periodically. The Committee focuses on ensuring that risks promptly identified initially and a mitigation plan is developed and monitored periodically to ensure that risks are being addressed accordingly. The Committee operates with following objectives especially related to risks:

- Identify and highlight risks affecting the Company.
- Facilitate discussion around risk prioritization and mitigation. The company's approach in addressing business risks includes periodical review of such risks and thereby mitigating it effectively.
- Provide a framework to assess risk capacity and appetite; develop systems to warn when the appetite is getting breach.

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 2021-22 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:

Survey No. 230, Opp. Mariya Park,
B/h. Ranipur Village, Saijpur - Gopal,
Narol, Ahmedabad – 382 405

Place: Ahmedabad

Date: 5th September, 2022

Sd/-
Mithleshkumar Gupta
Managing Director
DIN: 03468643

By the Order of the Board
Vaxtex Cotfab Limited

Sd/-
Aakash Thakor
Director
DIN: 07960192

**Independent Auditor's Report
To The Member of VAXTEX COTFAB LIMITED**

Opinion

We have audited the accompanying standalone financial statements of Vaxtex Cotfab Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2022, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of Standalone Financial Statements in accordance with the standards of auditing specified under Section 143(10) of the Acts (SAs). Our responsibilities under those standards are future 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 in accordance with code of ethics issued by the institute of chartered Accountants of India (ICAI) together with independence requirements that are relevant to our audit of the standalone financial statements in the provisions of the Act and the rooms made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We Believe that the Audit Evidence we have obtain is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial Statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis,

UDIN: 22403437AIABBT3466

Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Responsibilities for the Audit of the Standalone 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is

not a guarantee that an audit conducted in accordance with Standards on Auditing [“SA” s] 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 Standards on Auditing [“SA” s], we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- ❖ We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- ❖ We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- ❖ From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FOR: - SSRV & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO. - 135901W

VISHNU KANT KABRA
Partner
M.No :403437

PLACE: - MUMBAI
DATE: 28th April, 2022

Annexure - A to the 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 31st March 2022, we report that:

- i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - a. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- ii. Management has conducted Physical Verification of Inventory at Reasonable interval during the year and no Material discrepancies between physical inventory and book records were noticed on physical verification and the valuation of closing stock has been certified by the management and we have relied on the same.
- iii. The Company not having any holding company which is exempt under section 186 and therefore not required to maintain register under section 189 of the companies act 2013 Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- 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. Thus, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Thus, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. 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, income-tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- viii. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- ix. 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.
- x. According to the information and explanations given to us and based on our examination of the records of the Company, there are transactions with the related parties which are in compliance with sections 177 and 188 of the Act.

- xi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR: - SSRV & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO. - 135901W

VISHNU KANT KABRA
Partner
M.No:403437

PLACE: - MUMBAI
DATE: 28th April, 2022

Annexure - B to the Auditors' Report

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 31st March 2022 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 standalone 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.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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
FIRM NO. - 135901W

VISHNU KANT KABRA
Partner
M.No:403437

PLACE: - MUMBAI
DATE: 28th April, 2022

Vortex Cotfab Limited			
CIN : L51109GJ2005PLC076930			
Balance Sheet as at 31st March, 2022			
			(Amount in Rs.)
Particulars	Note No	31st March 2022	31st March 2021
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment and Intangible assets			
(i) Property, plant and equipment	10	39,042,416	38,455,096
(ii) Capital work-in-progress			
(b) Financial Assets			
(i) Non-current investments	11	750,000	750,000
(2) Current assets			
(a) Inventories			
(b) Financial Assets	12	54,075,826	17,052,060
(i) Investments	13	9,736,075	-
(ii) Trade receivables	14	61,946,494	97,864,757
(iii) Cash and cash equivalents	15	1,494,009	1,135,392
(iv) Short-term loans and advances	16	62,559,508	47,303,827
(c) Current tax Assets (Net)	17	6,632,958	13,780,329
(d) Other Current Assets	18	3,645,222	515,192
Total		239,882,508	216,856,653
II. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	100,391,630	60,235,000
(b) Surplus	3	3,201,557	28,500,595
(2) Non-current liabilities			
(a) Long-term borrowings	4	60,331,369	100,859,721
(a) Deferred tax liability (net)	5	2,408,552	1,841,552
(3) Current liabilities			
(a) Short term borrowings	6	14,200,945	2,080,101
(b) Trade payables	7		
(i) total outstanding dues of micro enterprises and small enterprises; and		27,868,909	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		24,742,185	21,856,843
(c) Other current liabilities	8	1,178,359	502,713
(d) Short-term provisions	9	5,559,001	980,129
Total		239,882,508	216,856,653
Significant accounting policies and Notes referred to above form an integral part of the Financial Statements.			
As per our report of even date		For & On Behalf of the Board	
For SSRV and Associates			
Chartered Accountants		For and on behalf of the Board	
ICAI F.R.No. 135901W		Vortex Cotfab Limited	
M.No.: 403437		PRATAP SINGH	NIDHI BANSAL
Date:- 28th April, 2022		(CFO)	(CS)
Place:- Mumbai		PAN No. AACPZ3621J	PAN NO. DZEPB5499C
UDIN: 22403437A1ABBT3466			
		AAKASH RAJESHBHAI	MITHILESH KUMAR
		THAKOR	AGARWAL
		Director	Managing Director
		DIN 07960192	DIN 03468643

Vaxtex Cotfab Limited

CIN : L51109GJ2005PLC076930

Statement of Profit and Loss for the year ended 31st March, 2022

Particulars	Note No.	(Amount in Rs.)	
		2021 - 22	2020 - 21
Revenue from operations	19	619,073,695	261,544,582
Other income	20	3,759,283	649,074
Total Income		622,832,978	262,193,656
<u>Expenses:</u>			
Cost of materials consumed	21	577,534,940	194,983,660
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(37,023,766)	23,967,380
Employee benefit expense	23	10,077,613	6,084,035
Financial costs	24	10,749,510	10,862,052
Depreciation and amortisation cost	25	2,992,260	1,496,588
Other expenses	26	38,415,556	22,173,583
Total expenses		602,746,113	259,567,298
Profit before tax		20,086,865	2,626,358
Tax expense:			
(1) Current tax		4,662,272	410,747
(2) Deferred tax	5	(567,000)	(432,499)
Total Tax Expense		4,095,272	(21,752)
Profit from continuing operations		14,857,593	1,783,113
Profit from discontinuing operations before tax		-	-
Tax expense of discontinuing operations		-	-
Profit from discontinuing operations after tax		-	-
Share of profit of associates and joint venture accounted for using equity method		-	-
Profit for the period		14,857,593	1,783,113
Other comprehensive income net of taxes		-	-
Details of Equity Share Capital			
Paid up Equity Share Capital		100,391,630	60,235,000
Other Equity		-	-
Earning per equity share:	24		
Face value per equity shares fully paid up.		2	10
(1) Basic		0.30	0.30
(2) Diluted		0.30	0.30
As per our report of even date			
For SSRV and Associates			
Chartered Accountants		For and on behalf of the Board	
ICAI F.R.No. 135901W		Vaxtex Cotfab Limited	
M.No.: 403437		PRATAPSINGH BHOORSINGH ZALA	NIDHI BANSAL
Date:- 28th April, 2022		(CFO)	(CS)
Place:- Mumbai		PAN No. AACPZ3621J	PAN NO. DZEPB5499C
UDIN: 22403437AIABBT3466			
		AAKASH RAJESHBHAI THAKOR	MITHILESH KUMAR AGARWAL
		Director	Managing Director
		DIN 07960192	DIN 03468643

Vaxtex Cotfab Limited		
CIN : L51109GJ2005PLC076930		
STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD OF 01/04/2021 TO 31/03/2022		
Particulars	2021-22	2020-21 (Amount in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	20,086,864	2,626,358
Depreciation of property, plant & equipment	2,992,260	1,496,588
Finance Cost	10,749,510	10,862,052
Interest Income classified as Investing Cash Flows	(3,759,283)	(649,074)
Transfer to Reserve	-	432,515
Other Comprehensive Expense	354	-
(Profit) / Loss on sale of property, plant & equipment	-	-
Operating Profit before working capital changes	30,069,706	14,768,439
Adjustment For :		
(a) (Increase)/Decrease in Inventories	(37,023,766)	23,967,380
(b) (Increase)/Decrease in Trade Receivables	35,918,263	(12,414,244)
(c) (Decrease)/Increase in Trade Payables	30,754,251	(38,995,638)
(Increase) in other current Assets	(10,164,488)	(78,618)
(f) Increase /(Decrease) in Short Term Borrowings	(28,411,000)	25,275,578
CASH GENERATED FROM OPERATIONS	26,396,967	9,726,626
Less : (a) Income Tax Paid	(4,662,272)	(410,747)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	21,734,695	9,315,879
B. CASH FLOW FROM INVESTING ACTIVITIES		
(a) Purchase of Fixed Assets	(3,579,580)	(16,214,929)
(b) Sale of Fixed Assets	-	-
(c) Interest Income	3,759,283	649,074
(d) Investment (purchases/sales)	(9,334,575)	-
Loans and advances given / repaid (Net)	(1,475,352)	39,556,321
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(10,630,224)	23,990,466
C. CASH FLOW FROM FINANCING ACTIVITIES		
(a) Proceeds/(Repayment) from Borrowings	-	(31,362,909)
Interest Expense & Finance Costs	(10,749,510)	(10,862,052)
(b) Subsidy Received	-	-
(c) Proceeds from Issue of Share Capital		
(d) Interest Paid		
NET CASH INFLOW/ (OUTFLOW) IN FINANCING ACTIVITIES (C)	(10,749,510)	(34,098,206)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	354,961	(791,861)
OPENING BALANCE – CASH & CASH EQUIVALENT	1,139,049	1,930,910
	1,494,009	1,139,049
As per our report of even date		
For SSRV and Associates		
Chartered Accountants	For and on behalf of the Board	
ICAI F.R.No. 135901W	Vaxtex Cotfab Limited	
M.No.: 403437	PRATAP Singh BHOORSINGH ZALA	NIDHI BANSAL
Date:- 28th April, 2022	(CFO)	(CS)
Place:- Mumbai	PAN No. AACPZ3621J	PAN NO. DZEPB5499C
UDIN: 22403437AIABBT3466		
	AAKASH RAJESH BHA I THAKOR	MITHILESH KUMAR AGARWAL
	Director	Managing Director
	DIN 07960192	DIN 03468643

Vortex Cotfab Limited		
CIN : L51109GJ2005PLC076930		
Notes Forming Part of Balance Sheet		
		(Amount in Rs.)
Note 2 :- Share capital	31st March, 2022	31st March, 2021
Particulars		
Authorised share capital	110,000,000	110,000,000
Issued, subscribed & paid-up share capital	100,391,630	60,235,000
Share holding pattern and details		
Shareholder	% holding	No.of shares
Vax Enterprise Pvt Ltd	36.02%	1,80,78,955/-
Qmin Pharma Pvt Ltd	36.02%	1,80,78,955/-
Total share capital	100,391,630	60,235,000

Note 2.1 : Reconciliation of number of shares outstanding is set out below:

Particulars	31st March, 2022	31st March, 2021
Equity shares at the beginning of the year	6,023,500	6,023,500
Add: Shares issued during the current financial year	4,015,663	-
Total Equity shares before split	10,039,163	-
Split of shares (From FV of Rs.10 to FV of Rs.2)	50,195,815	-
Equity shares at the end of the year	50,195,815	6,023,500

Note 2.2 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 2.3 : The Company issued 4,015,663 bonus shares on 7th January, 2022

Note 2.4 : There was a split of shares from FV of Rs.10 to FV of Rs.2 on 29th March, 2022

Shares held by promoters at the end of the year 31st March 2022				% Change during the year***
Sr. No.	Promoter Name	No. of Shares**	% of total shares**	
1	Miracle Stores Private Limited	18,078,955.00	36.02%	0
2	Qmin Pharma Private Limited	18,078,955.00	36.02%	0
Total				

Shares held by promoters at the end of the year ending 31st March 2021				% Change during the year***
Sr. No.	Promoter Name	No. of Shares**	% of total shares**	
1	Miracle Stores Private Limited	2,169,475.00	36.02%	0
2	Qmin Pharma Private Limited	2,169,475.00	36.02%	0
Total				

Aggregate number of bonus shares issued during the

Financial Years	2017-18	2018-19	2019-20	2020-21	2021-22
Fully paid up bonus shares	Nil	Nil	4,025,000.00	Nil	4,015,663.00

Note 3: Surplus

(Amount in Rs.)

Particulars	31st March, 2022	31st March, 2021
<u>Securities Premium</u>		
Opening Balance	22,344,000	22,344,000
less : Bonus shares issued	(22,344,000)	-
Add: Securities Premium shares issued	-	-
Closing Balance	-	22,344,000
<u>Surplus/Deficit in Profit & Loss Account</u>		
Balance brought forward from previous year	6,156,595	3,940,967
Add: Profit / (Loss) for the period	14,857,593	1,783,113
Less Short Provision of Tax	-	432,515
Add:: fixed assets written off wrongly now brought to books	-	-
Less : Bonus shares issued	(17,812,631)	-
	3,201,557	6,156,595
Total	3,201,557	28,500,595

Note 4 : Long term borrowings**(Amount in Rs.)**

Particulars	31st March, 2022	31st March, 2021
Secured Loans		
From Banks		
1 Abhyudaya Co-Op.Bank Limited Working Capital Term Loan	28,358,020	24,952,328
2 Abhyudaya Co-Op.Bank Limited Overdraft	60,344,303	60,713,798
3 Indusind Bank Overdraft	(30,358,351)	
4 Kotak Mahindra Prime Limited (Car Loan)	1,987,398	1,292,650
Other Unsecured Loans		
Loans and advances from related parties		13,900,945
TOTAL	60,331,369	100,859,721

Note 5: Deferred tax liability**(Amount in Rs.)**

Particulars	31st March, 2022	31st March, 2021
Opening balance	(1,841,552)	(1,409,053)
Add : Deferred tax income/(expense) recognised for the year	(567,000)	(432,499)
Total	(2,408,552)	(1,841,552)

Note 6 : Short term borrowings**(Amount in Rs.)**

Particulars	31st March, 2022	31st March, 2021
Loans and advances from related parties	14,200,945	-
Other Loans and Advances	-	2,080,101
TOTAL	14,200,945	2,080,101

Note 7 : Trade payables**(Amount in Rs.)**

Particulars	31st March, 2022	31st March, 2021
Total outstanding dues of micro enterprises and small enterpr	27,868,909	
Total outstanding dues of creditors other than micro enterpri and small enterprises	24,742,185	21,856,843
Total	52,611,094	21,856,843

Note 6.1 : Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2021, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

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

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	27868909				27868909
(ii) Others	24742185				24742185
(iii) Disputed dues- MSME		-			
(iv) Disputed dues - Others					-

Trade Payables ageing schedule: As at 31st March 2021

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					-
(ii) Others	21856843.14				21856843.14
(iii) Disputed dues- MSME		-			
(iv) Disputed dues - Others		-			

Note 8 : Other Current Liabilities**(Amount in Rs.)**

Particulars	31st March, 2022	31st March, 2021
<u>Statutory Dues:</u>		
Professional Tax Ded. A/C.	54,250	5,250
Tcs	118,839	62,592
Tds On Professional Fees	18,303	149,813
Tds On Purchase	372,512	-
Tds On Rent	502,220	51,075
Tds Payable	60,073	233,983
<u>Other Dues:</u>		
E S I Payable A/C.	12,513	-
P F Payable A/C.	39,649	-
Total	1,178,359	502,713

Note 9 : Short Term Provisions**(Amount in Rs.)**

Particulars	31st March, 2022	31st March, 2021
Audit Fees Payable	(1,000)	82,400
Provision for Income Tax	5,560,001	897,729
Total	5,559,001	980,129

Vortex Cotfab Limited			
CIN : L51109GJ2005PLC076930			
Notes Forming Part of Balance Sheet			
			(Amount in Rs.)
Note 11 : Non current Investment			
Sr. No.	Particulars	31st March, 2022	31st March, 2021
	Unquoted investments		
	Equity based mutual fund		
1	Abhyudaya Co-Op Bank Ltd. Share A/c.	750,000	750,000
	Total	750,000	750,000

All above investments are carried at cost

11.1 Other disclosures

(a)	Aggregate cost of quoted investment		
	Aggregate market value of quoted investments		
(b)	Aggregate amount of unquoted investments	750,000	750,000
(c)	Aggregate provision for diminution in value of investment	-	-

Note 12 : Inventories*		(Amount in Rs.)	
Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Finished goods	54,075,826	17,052,060
2	Semi finished goods		
3	Raw material		
4	Stores & packing		
	*Valued at lower of cost and net realizable value		
	Total	54,075,826	17,052,060

Note 13 : Current Investment

(Amount in Rs.)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
	Debt based mutual fund		
1	IndusInd Bank FD A/c.-300862351907	9,736,075	-
	Total	9,736,075	-

Note 14 : Trade receivables

(Amount in Rs.)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Outstanding for more than six months		
	a) Secured, considered good	45,073,201	
	b) Unsecured, considered good		
	c) Doubtful		
2	Others		
	a) Secured, considered good	16,873,293	97,864,757
	b) Unsecured, considered good		
	c) Doubtful		
	Total	61,946,494	97,864,757

Trade Receivables ageing schedule as at 31st March,2022

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	16,873,293	45,073,201				61,946,493.66
(ii) Undisputed Trade receivables -considered doubtful						-
(iii) Disputed trade receivables considered good						-
(iv) Disputed trade receivables considered doubtful						-

Trade Receivables ageing schedule as at 31st March,2021

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	97,864,757.00					97,864,757.00
(ii) Undisputed Trade receivables -considered doubtful						-
(iii) Disputed trade receivables considered good						-
(iv) Disputed trade receivables considered doubtful						-

Note 15 : Cash and bank balances

(Amount in Rs.)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Cash and cash equivalent		
	Cash in Hand	1,491,918	560,961
	Sub total (A)	1,491,918	560,961
2	Bank balances - current accounts		
	BHUJ MERC. CO.OP.BANK	(3,658)	(3,658)
	ICICI BANK	5,749	578,089
	Sub total (B)	2,091	574,431
	Total [A + B]	1,494,009	1,135,392

Note 16 : Short terms loans and advances

(Amount in Rs.)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Others		
	Advance Against Machinery	3,070,030	3,070,030
	Others Long Term Loans and Advances	59,489,478	44,233,797
	Total	62,559,508	47,303,827

Note 17 : Current tax Assets (Net)

(Amount in Rs.)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Advances to Suppliers	-	7,113,532
2	GST	4,160,357	4,047,468
3	TDS Receivable	2,454,481	2,619,329
4	TCS Receivable	18,120	-
	Total	6,632,958	13,780,329

Note 18 : Other Current Assets

(Amount in Rs.)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Advances / Prepaid Expenses	3,183,722	113,692
2	N S C Deposit A/c	383,500	383,500
3	NSDL Deposit	18,000	18,000
4	Other deposit	60,000	
	Total	3,645,222	515,192

Vaxtex Cotfab Limited			
CIN : L51109GJ2005PLC076930			
Notes Forming Part of Statement of Profit & Loss			
Note 19 : Revenue from operations			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Sales of products <i>(refer sub note 16.1)</i>	619,073,695	261,544,582
2	Sale of services		
3	Other operating revenues		
	Sales are net of Goods & Service Tax (GST)		
	Total	619,073,695	261,544,582

19.1 Sale of products			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Sales - finished goods	619,073,695	261,544,582
	Total	619,073,695	261,544,582

Note 20: Other income			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Interest on FD	248,042	-
2	Interest received on Income Tax	125,715	345,906
3	Interest Receivable	3,385,517	-
4	Other Income	9	303,168
	Total	3,759,283	649,074

Note 21 : Cost of material consumed			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Cost of materials consumed: <i>(refer sub note 21.1)</i>	577,534,940	194,983,660
	Total	577,534,940	194,983,660

21.1 Cost of materials consumed			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	<u>Consumption of raw material</u>		
	Opening stock	17,052,060	41,019,440
	Add :- purchase during the year	577,534,940	194,983,660
		594,587,000	236,003,100
	Less :- Closing stock	54,075,826	17,052,060
		540,511,174	218,951,040
2	<u>Consumption of stores & spares / packing materials</u>		
	Opening stock	-	
	Add :- purchase during the year		
		-	-
	Less :- Closing stock	-	-
		-	-
	Total	540,511,174	218,951,040

Note 22 : Change in inventories**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	<u>Change in inventories of finished goods</u>		
	Opening stock	17,052,060	41,019,440
	Closing stock	54,075,826	17,052,060
	Sub total (a)	(37,023,766)	23,967,380
2	<u>Changes in inventories of work-in-progress</u>		
	Opening stock	-	-
	Closing stock	-	-
	Sub total (b)	-	-
3	<u>Changes in Inventories of Raw Materials</u>		
	Opening Stock		
	Closing Stock		
	Sub total (c)	-	-
	Total	(37,023,766)	23,967,380

Note 23 : Employment benefit expenses**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Salary, Bonus & Wages	9,975,126	5,770,716
2	Staff Welfare Expenses	33,457	264,576
3	Other contribution	69,030	48,743
	Total	10,077,613	6,084,035

23.1 Incentives to employees**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Salary, Bonus & Wages	9,975,126	5,770,716
	Total	9,975,126	5,770,716

23.2 Employment provident fund**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	P F CONTRIBUTION A/C.	24,814	-
	Total	24,814	-

Note 24 : Financial cost**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Interest on Cash Credit & Other Facilities	10,587,973	10,678,429
2	Bank Charges	161,537	183,623
	Total	10,749,510	10,862,052

Note 25 : Depreciation and amortised cost

(Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Depreciation	2,992,260	1,496,588
	Total	2,992,260	1,496,588

Note 26 : Other expenses

(Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Advertisement Exp	23,498	-
2	Auditor Fees	54,000	-
3	Auditor'S Remuneration	-	-
4	Bad Debt To Be Written Off	-	352,205
5	Business Promotion	-	37,000
6	Commission On Sales Charges	28,520	32,095
7	Conveyance Expenses	11,200	34,000
8	Courier Expenses	23,794	14,730
9	Effluent Treatment Charges	1,570,962	-
10	Electricity Bill Expenses	12,340,550	5,587,148
11	Factory Expenses	798,850	459,029
12	Factory Rent	4,086,000	4,027,000
13	Freight Expenses	-	-
14	Godown Rent	662,000	-
15	Gst Paid	-	9,062
16	Gujarat Labour Welfare Boad	1,922	-
17	Installment Dishonoued Charges	2,655	-
18	Insurance Expenses	77,506	41,736
19	Interest On Loan	26,298	-
20	Interest Paid On Income Tax	8,756	24,224
21	Interest Paid On Tds	8,467	-
22	Labour Contract Work	14,491,906	5,260,366
23	Legal & Professional Charges	597,617	2,179,881
24	Local Cartting Expenses	-	139,211
25	Misc Expenses	242,003	-
26	Mobile And Internet Expenses	3,074	928
27	Municipality Property Tax	328,112	165,866
28	Nsdl Fees	-	-
29	Nsdl/Cdsl Service Charges	34,000	334,472
30	Office Expenses	59,450	1,494,144
31	Petrol & Conveyance Expenses	17,885	34,653
32	Pollution Charges	-	585,000
33	Rates And Taxes	650	668
34	Repairs Expenses	-	470,222
35	Roc Expences	30,000	8,400
36	Security Service Charges	198,000	396,000
37	Staff Welfare Expenses	47,760	-
38	Stationary & Printing Exp	78,935	33,788
39	Stores Materials	1,325,230	-
40	Tea And Coffee Expenses	79,214	80,794
41	Transportation Charges	1,042,195	219,672
42	Travelling Expenses	85,067	151,290
43	Water Expenses	29,480	-
	Total	38,415,556	22,173,583

26.1 Repairs & maintenance

(Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Repairs Expenses	-	470,222
	Total	-	470,222

26.2 Insurance premium

(Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Insurance Expenses	77,506	41,736
	Total	77,506	41,736

26.3 Rent, rates & taxes**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Godown Rent	662,000	-
2	Factory Rent	4,086,000	4,027,000
3	Rates & Taxes	328,112	165,866
	Total	5,076,112	4,192,866

26.4 Miscellaneous expenses**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Misc Expenses	242,003	-
	Total	242,003	-

26.5 Auditor's remuneration**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Auditor's Fees	54,000	-
	Total	54,000	-

Note 27 : Earning per share**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Net profit after tax	14,857,593	1,783,113
2	Weighted average number of equity shares	50,195,815	6,023,500
	Earning per share (face value of Rs.2/-fully paid)	0.30	0.30

Note 28 : Disclosure as required by Para 20 of Accounting Standard-AS 18 "Related Parties" of the Companies (Accounting Standard) Rules, 2006:-
CIN : L51109GJ2005PLC076930

Names of related parties and description of relationship :

Sr. No.	Name	Relation
1	AAKASH RAJESHBHAI THAKOR	DIRECTOR
2	MITHLESHKUMAR M AGRAWAL	DIRECTOR
3	PRATAPSINGH BHOORSINGH ZALA	CFO
4	ZIRAL PANKAJKUMAR SONI	DIRECTOR
5	NIDHI BANSAL	CS
6	BHARTI GUPTA	PROMOTER GROUP
7	STITCHED TEXTILES LIMITED	COMMON KMP
8	BRAND CLUSTER LLP	COMMON KMP
9	VAX ENTERPRISE PRIVATE LIMITED	ASSOCIATE COMPANY
10	QMIN PHARMA PRIVATE LIMITED	ASSOCIATE COMPANY

Transactions with related parties for the year ended March 31, 2022

Sr. No.	Particulars	Amount	Nature
		2021-22	2021-22
1	PRATAPSINGH BHOORSINGH ZALA	344,522	SALARY
2	PRATAPSINGH BHOORSINGH ZALA	100,000	LOAN RECEIVED
3	JAIMIN GUPTA	107,670	LOAN RECEIVED
4	ZIRAL PANKAJKUMAR SONI	30,000	SITTING FEES
5	NIDHI BANSAL	25,000	SALARY
6	BHARTI GUPTA	14,200,945	UNSECURED LOAN
7	STITCHED TEXTILES LIMITED	104,828,579	PURCHASE
8	STITCHED TEXTILES LIMITED	27,073,032	SALES
9	BRAND CLUSTER LLP	47,618,990	PURCHASE
10	VAX ENTERPRISE PRIVATE LIMITED	31,426,184	SALES
11	VAX ENTERPRISE PRIVATE LIMITED	38,358,181	PURCHASE
12	QMIN PHARMA PRIVATE LIMITED	25,237,139	SALES
13	QMIN PHARMA PRIVATE LIMITED	2,948,828	PURCHASE
	Total	292,299,070	

Note 1 – Significant Accounting Policies and Notes thereon

Corporate information

Vaxtex Cotfab Limited (the company) is a Public limited company domiciled in India and incorporated under the provisions of the Companies Act, **Corporate Identity Number: L51109GJ2005PLC076930**, the registered office of the company is located at **Survey No. 230, Opp. Mariya Park, B/H. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad Ahmedabad GJ 382405 IN**

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

Note 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

a. Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has prepared the Financial Statements which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as “Financial Statements).

The financial statements are presented in Indian Rupees (‘INR’) and all values are rounded to the nearest INR”, except otherwise indicated.

b. Use of estimates and judgements

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements 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. Actual results could differ from

those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

d. Tangible fixed assets

Fixed assets are stated at cost, less depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

e. Depreciation

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Depreciation on fixed assets is provided on Written Down Value basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule III to the Companies Act, 2013, whichever is higher.

f. Borrowing

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

g. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. In the current year, the custom duty paid on acquisition of Fixed asset has been capitalized as the duty paid is not refundable. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

h. Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that

sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

i. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

j. Cash flow statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

k. Provisions, Contingent Liabilities & Contingent Assets

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

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

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

l. cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash at banks and cash in hand.

The Cash & bank balances in India include both rupee accounts. On a standalone basis, balance in accounts stood at 14,94,009 /-, as at March 31, 2022.

m. Event occurring after the date of balance sheet

Where material event occurring after the date of the balance sheet are considered up to the date of approval of accounts by the board of director

n. Recoverability of trade receivables

Required judgements are used in assessing the recoverability of overdue trade receivables and for determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate risk of non-payment.

o. Other

- i. The Company has reclassified/regrouped previous year figures where necessary to confirm to the current year's classification
- ii. The Company has issued bonus share to their existing shareholder during the month of January 2022.

FOR S S R V & Associates
Chartered Accountants
FRN: 135901W

For and on behalf of the Board
Vaxtex Cotfab Limited

Vishnu Kant Kabra
Partner

M. No.: 403437

PLACE: MUMBAI

DATE :- 28th April, 2022

**PRATAPSINGH
BHOORSINGH ZALA
(CFO)
PAN No. AACPZ3621J**

**NIDHI BANSAL
(CS)
PAN No. DZEPB5499C**

**AAKASH RAJESHBHAI
THAKOR
Director
DIN 07960192**

**MITHILESH KUMAR A
GARWAL
Managing Director
DIN 03468643**