

**POLYTEX INDIA LIMITED**

**Annual Report 2022-23**

# **POLYTEX INDIA LTD**

**37<sup>TH</sup> ANNUAL REPORT 2022-2023**

**REGISTERED OFFICE**

401, 4<sup>th</sup> Floor, Nisarg Apartment,  
Besant Road, Vile Parle (West),  
Mumbai - 400056.  
Contact No. 022-67147827, 9920032944

**BOARD OF DIRECTORS & KMP**

Mr. Paresb Mulji Kariya : Whole Time Director (till 30.05.2022)  
Mr. Arvind Mulji Kariya : Whole Time Director and CFO  
Mr. Nitin Khimji Kariya : Independent Director (till 13.08.2022)  
Mrs. Priti Sagar : Independent Director (till 13.08.2022)  
Mr. Sachchidanand Rajaram Adam : Independent Director (till 13.08.2022)  
Mrs. Ankita Gupta : Company Secretary and Compliance Officer (w.e.f. 13.08.2022)  
Mrs. Jegna Arvind Kariya : Additional Director (w.e.f. 13.08.2022)  
Mr. Kapil Purohit : Additional Independent Director (w.e.f. 13.08.2022)  
Mrs. Deepa Jayramdas Lakhwani : Additional Independent Director (w.e.f. 13.08.2022)  
Mrs. Heena Gurmukhdas Kukreja : Additional Independent Director (w.e.f. 13.08.2022)

**BANKERS**

Bank of India  
HDFC Bank

**AUDITORS**

M/s. Agrawal Jain & Gupta  
Chartered Accountants, Mumbai

**INTERNAL AUDITOR**

Mr. Kathib Murthuja Vali

**REGISTRAR & TRANSFER AGENTS**

M/s. Link Intime India Pvt. Ltd.  
C-101, 247 Park,  
LBS Marg, Vikhroli (West),  
Mumbai, 400083.  
ISIN: INE012F01016

**WEBSITE**

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

**Email:**

[polytexindia@gmail.com](mailto:polytexindia@gmail.com)

Script Code: 512481

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**NOTICE**

NOTICE is hereby given that the 37<sup>th</sup> Annual General Meeting (AGM) of the members of Polytex India Limited will be held on Saturday, 30<sup>th</sup> September, 2023 at 03.00 PM IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses:

**ORDINARY BUSINESS:**

**1. Adoption of Annual Accounts:**

To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2023 and the report of the Board of Directors and Auditors thereon.

**2. Re-appointment of Mr. Arvind Mulji Kariya (DIN: 00216112), the retiring Director:**

To re-appoint Mr. Arvind Mulji Kariya (DIN: 00216112) Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.

**3. Ratification of Appointment of Statutory Auditor:**

To ratify the appointment of Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the resolution passed by the members in the 34<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2020 and pursuant to the provisions of section 139, 142 and all other applicable provisions, if any of the Companies Act, 2013, and the rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Agarwal Jain & Gupta (Firm Registration No.: 0135838C), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the

38<sup>th</sup> Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company in consultation with them.

**RESOLVED FURHTER THAT** Board be and is hereby authorized to fix the remuneration of Statutory Auditors of the Company as recommended by the Audit Committee in addition to reimbursement of our pocket expense.”

By orders of the Board of Directors

**For Polytex India Limited**

**Sd/-  
Ankita Gupta  
Company Secretary**

**REGISTERED OFFICE:**

401, 4<sup>th</sup> Floor, Nisarg Apartment, Besant Road,  
Vile Parle (West), Mumbai - 400056.

**Date:** 14.08.2023

**Place:** Mumbai

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 10/2022 dated December 28, 2022 read with General Circular No. 20/2020 dated May 5, 2020, and General Circular No. 02/2022 dated May 5, 2022 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 have granted certain relaxations to Body Corporates and thus permitted the holding of Annual General Meeting(s) (“AGM”) of the companies upto September 30, 2023 through VC / OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA / SEBI Circulars, as applicable, the AGM of the Company is being held through VC / OAVM (viz. e-AGM).
2. The Deemed Venue of the 37<sup>th</sup> AGM of the Company shall be its Registered Office as the AGM will be held through Video Conferencing (“VC”) / Other Audio Visual Means.
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. 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.
4. The Company has engaged the services of National Securities Depository Limited (NSDL), to provide video conferencing facility and e-voting facility for the AGM.
5. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF / JPEG Format) of

the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at cs.sandeepdubey@gmail.com and copy marked to evoting@nsdl.co.in and polytexindia@gmail.com. The scanned image of the above mentioned documents should be in the naming format “Polytex India Limited 37<sup>th</sup> AGM”.

6. Register of Members and the Share transfer books of the Company will remain closed from Sunday, 24<sup>th</sup> September, 2023 to Saturday, 30<sup>th</sup> September, 2023 (both days inclusive) for the purpose of Annual General Meeting.
7. Members are requested to notify change in address, if any, immediately to M/s. Link Intime India Private Limited, quoting their folio numbers.
8. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
9. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘SEBI Listing Regulations’) and Secretarial Standard on General Meetings (‘Secretarial Standard - 2’), the details of Director retiring by rotation at the AGM is provided in ‘Annexure A’ to the Notice.
10. Members seeking any information with regard to Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, and relevant documents referred to in the accompanying Notice are requested to write to the Company on or before Monday, 25<sup>th</sup> September, 2023, through email on polytexindia@gmail.com. The same will be replied by the Company suitably.

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT, USER ID & PASSWORD AND REGISTRATION OF EMAIL ID FOR E-VOTING:**

11. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company, RTA or CDSL / NSDL (“Depositories”). Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website [www.polytexindia.com](http://www.polytexindia.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
12. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at [polytexindia@gmail.com](mailto:polytexindia@gmail.com) or to the RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Aadhaar, Driving License, Election Identity Card, Passport) in support of the address of the Member.
13. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [polytexindia@gmail.com](mailto:polytexindia@gmail.com) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) 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.

14. Alternatively members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
15. 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.

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

16. 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 below for Access to NSDL e-Voting system. After successful login, you can see link of “VC / OAVM link” placed under “Join meeting” menu against company name. You are requested to click on VC / OAVM link placed under Join Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the “EVEN 126140” 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.
17. For convenience of the Members and proper conduct of AGM, Members can login and join at least 60 (sixty) minutes before the time scheduled for the AGM by following the procedure mentioned in the Notice and shall be kept open throughout the proceedings of AGM. 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, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

18. Members who need assistance before or during the AGM with use of technology can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at 022 - 4886 7000 and 022 - 2499 700025.
19. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [polytexindia.com](http://polytexindia.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
21. 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.

**PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS  
WITH RESPECT TO ANNUAL REPORT:**

22. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their

registered email address mentioning their name, DP ID and Client ID / Folio Number, PAN, Mobile Number at polytexindia@gmail.com from Saturday 23<sup>rd</sup> September, 2023 (9:00 A.M. IST) to Tuesday, 26<sup>th</sup> September, 2023 (5:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The queries should be precise and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

Members may send their questions in advance mentioning their name, DP ID and Client ID / Folio Number, PAN, Mobile Number at polytexindia@gmail.com during aforesaid period. The same will be replied by the Company suitably.

**HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE FOR ANY TECHNICAL ISSUES REALTING TO LOGIN THROUGH DEPOSITORIES i.e. NSDL AND CDSL**

**23. Contact Details**

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

**VOTING THROUGH ELECTRONIC MEANS**

24. 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), read with MCA Circulars and SEBI Circular, Company is providing facility of remote e-voting to its Members to cast their vote electronically, through the E-voting services provided by NSDL on all the resolutions set forth in this Notice. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
25. The Company has appointed Mr. Sandeep Dubey, (Membership No. 47940, COP No. 17902), Practicing Company Secretary as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
26. The Members who have cast their vote by remote E-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/> . Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
27. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e Saturday, 23<sup>rd</sup> September, 2023.

28. 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 <https://www.evoting.nsdl.com> to reset the password.
29. In case of any queries relating to E-voting you may refer to the FAQs for Shareholders and E-voting user manual for Shareholders available at the download section of [https:// www.evoting.nsdl.com](https://www.evoting.nsdl.com) or call at 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) In case of any grievances connected with facility for E-voting, please contact Ms. Prajakta Pawle, NSDL, 4<sup>th</sup> Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) , Tel: 022 - 4886 7000 and 022 - 2499 7000.
30. 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.
31. Any person and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Saturday, 23<sup>rd</sup> September, 2023 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice

and holding shares as of the cut-off date i.e. Saturday, 23<sup>rd</sup> September, 2023 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

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

32. The remote e-voting period begins on Wednesday 27<sup>th</sup> September, 2023 (at 9:00 A.M. IST) till Friday, 29<sup>th</sup> September, 2023 at 5:00 P.M. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Saturday, 23<sup>rd</sup> September, 2023, may cast their vote electronically.
33. The details of the process and manner for remote E-voting using NSDL e-Voting system are explained herein 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="687 544 1410 1592">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 <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="687 1630 1410 1879">2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDir">https://eservices.nsdl.com/SecureWeb/IdeasDir</a></li> </ol>

	<p>ectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> / either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. 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 &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> App Store  Google Play</p> <p> </p>
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<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"><li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li><li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the eVoting service providers' website directly..</li><li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li><li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the</li></ol>
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	user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
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. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider - 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.

**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 /](https://eservices.nsdl.com/) with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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*****.
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*****.
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

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

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat Account Number / Folio Number, your PAN, your name and your registered address, etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “ “ in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN 126140” 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 [cs.sandeepdubey@gmail.com](mailto:cs.sandeepdubey@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details / Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call at 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Prajakta Pawale, Officer at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to polytexindia@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 polytexindia@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 EGM/AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM / 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 meeting” menu against company name. You are requested to click on VC / OAVM link placed under Join 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 [polytexindia@gmail.com](mailto:polytexindia@gmail.com). The same will be replied by the company suitably.

**OTHER INSTRUCTIONS**

34. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote E-voting and make within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
35. The result declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.polytexindia.com](http://www.polytexindia.com) and on the website of NSDL at <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results BSE Limited, where the shares of the Company are listed.



**ANNEXURE A TO THE NOTICE OF ANNUAL GENERAL MEETING**  
**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT/APPOINTMENT**  
**AT THE FORTHCOMING ANNUAL GENERAL MEETING**

(Pursuant To the Provisions of Regulation 26(4) & 36(3) Of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2):

**A. WHOLE TIME DIRECTOR**

<b>Name of the Director</b>	<b>Arivnd Mulji Kariya</b>
DIN	00216112
Date of Birth (Age)	23-04-1965, 58 years
Nationality	Indian
Qualification	Commerce Graduate
Experience / Expertise	He has more than 23 years of experience in Stock Market. He has comprehensive knowledge and insight in dealing and settlement procedures. He is in-charge of operations, back office management and risk management. Also having experience in the field of Stock Broking, Commodities Broking, Insurance Agency, Mutual Funds Distribution.
Date of Appointment as Director of the Company	31-01-2008
Other Directorships	1. Rruchi Food Plaza Private Limited 2. Rapid Credits And Mercantiles Private Limited

	3. Anugrah Holidays Private Limited 4. Wagad Fincap Limited 5. Anugrah Realty Developers Private Limited
Membership / Chairmanship in the committees of other Listed Companies	NIL
Shareholding in the Company	23,87,500
Relationships between the Directors inter-se, if any	Husband of Mrs. Jegna Arvind Kariya, Director of the Company

By orders of the Board of Directors

**For Polytex India Limited**

**Sd/-  
Ankita Gupta  
Company Secretary**

**REGISTERED OFFICE:**

401, 4<sup>th</sup> Floor, Nisarg Apartment, Besant Road,  
Vile Parle (West), Mumbai - 400056.

**Date:** 14.08.2023

**Place:** Mumbai

**DIRECTORS' REPORT**

To,  
**The Members**  
**Polytex India Limited,**  
 Mumbai.

Your Directors have pleasure in presenting their 37<sup>th</sup> Annual Report with the Audited Accounts for the year ended 31<sup>st</sup> March, 2023.

**1. Financial Results**

During the year under review, the Company has NIL income (PY Rs. 17,52,264) and net loss of Rs. 7,48,994/- (PY Rs. 74,59,175/-)

Your directors are hopeful of achieving better results in current year.

Particulars	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Income From Operation	-	17,52,264
Other Income	-	-
Total Income	-	17,52,264
Profit Before Depreciation and Tax	(15,00,885)	(82,13,788)
Depreciation	-	-
Profit Before Tax	(15,00,885)	(82,13,788)
Tax Expense	(7,51,891)	(7,54,613)
Profit After Tax	(7,48,994)	(74,59,175)

\*Previous year's figures have been regrouped / rearranged wherever necessary

**2. Operations of the Company**

The overall performance during the year under review has not been quite satisfactory due to recession in the overall market. The company is deploying its resources in the best possible way to increase business volumes and plans to achieve increased turnover in the current year.

**3. Dividend**

Considering the need to conserve resources for future projects, your Directors have not recommended any dividend for the financial year ended 31st March, 2023.

**4. Share Capital**

During the year under review, there was no change in the Share Capital structure and the paid up capital of the Company.

**5. Material changes and commitment affecting the financial position of the company occurred between the end of the financial year to which this financial statements relate and the date of the report**

There are no significant material changes and commitments affecting the financial position of the company that occurred between the end of financial year and the date of this report.

**6. Public Deposits**

The Company has not accepted any fixed deposits from public, or its employee during the year.

**7. Particulars of Loans, Guarantees or Investments**

Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report. However, it is to be noted that the Company being the Registered NBFC, the provision of section 186 is not applicable to the Company.

**8. Particulars of Contracts or arrangements with related parties**

All related party transaction entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are

no materially significant related party transactions made by the company with related parties which may have potential conflict with interest of the company at large. The particulars of such contract or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the companies Act, 2013 are attached herewith in Annexure I in Form No. AOC - 2.

All related party transactions are approved by the Audit Committee. Prior omnibus approval is obtained from the Audit Committee in respect of the transactions which are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed on a quarterly basis by the audit committee.

The Policy of Related Party transaction / Disclosures are approved by the Board is posted on the Company's website viz [www.polytexindia.com](http://www.polytexindia.com).

#### **9. Number of meeting of Board of Directors**

The Board of Directors of the Company met Five (5) times during year 2022-23 on 04.05.2022, 30.05.2022, 13.08.2022, 11.11.2022 and 10.02.2023. The details of various Board Meetings are provided in the Corporate Governance Report that forms part of this Annual Report. The gap intervening between two meetings of the board is as prescribed in the Companies Act, 2013.

Additionally, during the financial year ended March 31, 2023 the Independent Director held a separate meeting on 10.02.2023 in compliance with the requirements of Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. All the Three Independent Directors have attended the meeting.

#### **10. Directors and Key Managerial Personnel**

Pursuant to Section 152 of the Companies Act, 2013, Mr. Arvind Mulji Kariya (DIN: 00216112), Director of the Company, retire by rotation and being

eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The details of Director being recommended for reappointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the company.

During the Financial Year following changes occurred:

- On 04/05/2022, Mrs. Ankita Gupta Company Secretary and Compliance Officer of the Company resigned and again appointed as Company Secretary and Compliance Officer w.e.f 13/08/2022.
- Mr. Paresh Mulji Kariya (DIN: 00215937) Director of the Company absents himself from all meetings of the board held during a period of 12 months, the Board has taken a note on the vacation of the office of the Mr. Paresh Mulji Kariya w.e.f. 30.05.2022.
- On 13/08/2022, Mr. Kapil Purohit (DIN: 09452936), Mrs. Deepa Jayramdas Lakhwani (DIN: 09698600) and Mrs. Heena Gurmukhdas Kukreja (DIN: 09703418) were appointed as an Additional Independent Director.
- On 13/08/2022, Mrs. Jegna Arvind Kariya (DIN: 02376901) appointed as an Additional Director (Non-Executive)
- On 13/08/2022, Mrs. Priti Rameshbhai Sagar (DIN: 02376953), Mr. Sachchidanand Rajaram Adam (DIN: 07109630) and Mr. Nitin Khimji Kariya (DIN: 02507675) Independent Director of the Company resigned.
- In the Annual General Meeting held on 30/06/2022 Mr. Kapil Purohit (DIN: 09452936), Mrs. Deepa Jayramdas Lakhwani (DIN: 09698600), Mrs. Heena Gurmukhdas Kukreja (DIN: 09703418) and Mrs. Jegna Arvind Kariya (DIN: 02376901) were regularized.

**11. Declaration of Independent Directors**

The Company has received necessary declaration from the each Independent Directors under section 149(7) of the Companies Act, 2013, that he/ she meets the criteria for independence as laid down in Section 149(6) of the Companies Act 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**12. Directors' Responsibility Statement**

In compliance with Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms the following:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
- (ii) they have, in the selection of the accounting policies, consulted the joint statutory auditors and have applied their recommendation consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31 March, 2023 and of the profit of the company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively during the year ended 31 March, 2023; and

- (vi) proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31 March, 2023.

### **13. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and under regulation 25 of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

In line with effective governance requirements, the Board reviews its own performance annually using a pre – determined template designed as a tool to facilitate the evaluation process. The assessment was built around the functioning of the Board as a whole its committees and also the evaluation of Individual Directors. While the individual Directors' Performance was reviewed by the Chairman and the rest of the Board excluding the Director being evaluated, the Chairman's and Non – Independent Directors performance was appraised through feedback from Independent Directors.

### **14. Policy relating to remuneration of Directors, Key Managerial Personnel and other Employees**

The Board has on the recommendation of the Nomination and Remuneration Committee, framed and adopted the policy for selection and appointment of Directors, senior management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report which forms part of this Report. The policy lays down criteria for selection of directors and senior management such as expertise, experience and integrity of the directors, Independent nature of the Directors, personal and professional standing, diversity of the Board etc.



As on 31.03.2023, the NRC comprises of the following members:

Mrs. Deepa Jayramdas Lakhawani – Chairperson

Mr. Kapil Purohit – Member

Mrs. Heena Gurmukhdas Kukreja – Member

During the year, the committee met Five times in the year on 04.05.2022, 30.05.2022, 13.08.2022, 11.11.2022 and 10.02.2023 all Committee members had attended all the meeting in their tenure.

#### **15. Stakeholders Relationship Committees**

As on 31.03.2023, the Company has Stakeholders Relationship Committee comprising of the following three Non-Executive and Independent Directors:

Mrs. Deepa Jayramdas Lakhawani – Chairperson

Mr. Kapil Purohit – Member

Mrs. Heena Gurmukhdas Kukreja – Member

The functions performed by the Stakeholders Relationship Committee and the particulars of meetings held and attendance are given in the Corporate Governance Report.

During the year, the committee met Five times in the year on 04.05.2022, 30.05.2022, 13.08.2022, 11.11.2022 and 10.02.2023 all Committee members had attended all the meeting in their tenure.

#### **16. Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 M/s. Agrawal Jain and Gupta, Chartered Accountants (FRN.: 013538C) was appointed as the Statutory Auditors of the Company in the Annual General Meeting held on 30<sup>th</sup>

September, 2020 to hold office upto the conclusion of the Thirty nine (39th) Annual General Meeting subject to the ratification at every Annual General Meeting and are eligible for re-appointment

They have confirmed their eligibility and willingness to be re-appointed. A resolution seeking ratification of their appointment is provided in the notice.

The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**17. Auditors Report**

There were no qualifications, reservations or adverse remarks made by the Auditors in their Report. The comments by the auditors in their Report read along within formation and explanation given in Notes to Accounts are self explanatory and do not call for further explanation.

**18. COST RECORD AND COST AUDIT**

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of section 148(1) of the Act is not applicable for the business activities carried out by the company.

**19. Details of Fraud Reported By Auditors**

There were no frauds which are reported to have been committed by employees or officers of the Company. The statutory auditors of the Company have vide their report of even date confirmed that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**20. Secretarial Auditors**

M/s. Sandeep Dubey & Associates was appointed to conduct the Secretarial Audit of the Company for FY 2022-23, as required under section 204 of the Companies Act, 2013 and rules thereunder. The secretarial audit report for FY 2022-23 forms the part of the annual report as Annexure II of the Board's report.

**Clarification on Observations of Secretarial Auditor:**

Due to unintentional or without any malafide intention non compliances as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Foreign Exchange Management Act, 1999, The Companies Act, 2013, etc. were made in FY 2022-23. But later on all the compliances were done. However due to shortage of funds some of the penalties levied are still not paid.

**21. Audit Committee**

Mrs. Deepa Jayramdas Lakhawani – Chairperson

Mr. Kapil Purohit – Member

Mrs. Heena Gurmukhdas Kukreja – Member

During the year, the committee met Five times in the year on 04.05.2022, 30.05.2022, 13.08.2022, 11.11.2022 and 10.02.2023 all Committee members had attended all the meeting in their tenure.

During the year under review, the Board has accepted all the recommendation of the Audit Committee.

The functions performed by the Audit Committee and the particulars of meetings held and attendance there at are given in the Corporate Governance Report.

**22. Internal Financial Control**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. Further Directors are personally overview the adequacy of internal controls.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

**23. Internal Control System and their Adequacy**

Your Company maintains adequate internal control system and procedure commensurate with its size and nature of operations. The internal control system are designated to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transaction, safeguarding the assets of the Company and prevent misuse/losses and legal compliance. The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process and Internal Audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

**24. Code of Conduct for Prevention of Insider Trading:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down the guidelines and procedure to be followed and disclosures to be made while dealing with the shares of the Company. The policy has been formulated to regulate, monitor, and ensure reporting of dealings by employees. The Insider Trading Policy of the Company covering code of practices and procedures for fair

disclosures of unpublished price sensitive information and code of conduct for prevention of insider trading is available on the website of the Company.

**25. Listing Fees:**

The Equity Shares of the Company is listed on BSE Limited and the Company has not paid the applicable listing fees to the Stock Exchange due to shortage of funds and the same is in process to be paid.

**26. RBI Guidelines:**

The company has complied with and continues to comply with all the applicable regulations and directions of the RBI.

**27. Vigil Mechanism for Directors and Employee**

In Compliance with the provisions of Section 179(9) of the Companies Act, 2013 read has adopted a Whistle Blower Policy as a vigil mechanism for directors and employees of the Company. The Whistle Blower Policy is disclosed on the Company's website [www.polytexindia.com](http://www.polytexindia.com).

**28. Risk Management Framework**

Pursuant to SEBI Listing Regulations, the Company has prepared Risk Management Framework for identifying and evaluating various major business risks faced by the Company. Risk Management Framework aims to lay down the procedure for risk assessment and risk minimization. Risk Management Framework is prepared to ensure internal controls and effectively respond to any changes in the business environment so as to achieve high degree of business performance, limit any negative impact on its working and avail of benefits arising out of any business opportunities.

The audit committee has additional oversight in the area of financial risks and controls.

**29. Familiarization Programme for Independent Director.**

Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013 mandates the Company to familiarize the Independent Directors with the Company by conducting training programmes. During the year, the Board members were regularly apprised with the overview of the Company and its operations by the Senior Management team.

During the year, the Board Members are provided with all necessary documents / reports and internal policies to enable them to familiarize with the Company's procedures and practices and keep themselves abreast of the latest corporate, regulatory and Industry developments

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

There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the company and its future operations

**31. Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have any Subsidiary, Joint venture or Associate company. Hence, disclosure of statement containing salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures in Form AOC-1 is not applicable to the Company.

**32. Change in the Nature of Business**

There has been no change in the nature of Business during the year under review.

**33. Particulars of Employees**

Information on particulars of employees' remuneration as per Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is reported to be nil as there are no employees who are in receipt of remuneration above the prescribed limit.

The Ratio of remuneration of each director to the median employee's remuneration and other details in terms of Sub - Section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this Report as **Annexure III**.

**34. Annual Return**

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the Company and can be accessed at [www.polytexindia.com](http://www.polytexindia.com)

**35. Transfer of Unclaimed Dividend to Investor Education and Protection fund**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investors Education and Protection Fund established by the central government under the provisions of section 125 of the Companies Act, 2013.

**36. Corporate Governance**

We strive to maintain high standard of Corporate Governance in all our interactions with stakeholders. The Company has conformed to the Corporate Governance code as stipulated under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. A separate section on Corporate Governance along with a certificate from the auditors confirming the level of compliance is attached and forms a part of the Board's Report

**37. Management Discussion and Analysis Report**

Management Discussion and Analysis forms a part of this annual report and is annexed to the Board's Report.

**38. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Your Company is not an energy intensive unit, however possibilities are continuously explored to conserve energy and to reduce energy consumption to the extent possible. During the year under review, considering the nature of activities presently being carried on by the Company, categorical information of the Company in terms of the Rules is provided below:

**(A) Conservation of Energy:**

(i)	Steps taken or impact on conservation of energy	Regular efforts are made to conserve the energy at all levels. Several environment friendly measures were adopted by the Company such as Installation of capacitors to save power, Installed Thin Film Transistor (TFT) monitors that saves power, LED Lights, Creating environmental awareness by way of distributing the information in electronic form, Minimising air-conditioning usage, Shutting off all the lights when not in use, etc.
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(ii)	Steps taken by the company for utilizing alternate sources of energy	The Company is into Service Industry and hence except Electricity, the Company is not required to use any other alternate source of energy.
(iii)	Capital Investment on energy conservation equipments;	NIL

**(B) Technology Absorption:**

The activities and business of the Company are such that it does not involve use of ultra modern technologies and hence the disclosure under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

**(C) Foreign Exchange Earning and Outgo:**

During the year under review Company did not earn any foreign exchange and there is no foreign exchange outgo.

**39. Disclosure as per the sexual harassment of women at workplace (Prevention, Prohibition and redressal) act, 2013**

The Company has in place a prevention of Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no Complaints received and disposed off during the financial year 2022-23.

**40. Information under Regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015:**

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

**41. Secretarial Standards**

The Company complies with the Secretarial Standards, issued by the Institute of Company Secretaries of India, which are mandatorily applicable to the Company. The same has also been confirmed by Secretarial Auditors of the Company in the Secretarial audit Report.

**Compliance with Secretarial Standards on Board and General Meetings**

The company has complied with all the provisions of secretarial standards issued by the Institute of Company Secretaries of India in respect of meetings of the board of directors and general meetings held during the year.

**42. CEO / CFO Certification:**

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Corporate Governance norms, Mr. Arvind Mulji Kariya, (DIN: 00216112) Director and Chief Financial Officer has certified, inter-alia, on review of financial statements and establishing and maintaining internal controls for the financial year ended 31.03.2023.

**43. The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.**

During the year under review, there were no application made or proceeding pending in the name of the Company under Insolvency and Bankruptcy Code, 2016.

- 44. The details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof.**

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

- 45. Acknowledgement**

Your Directors take this opportunity to express the gratitude to all investors, clients, vendors, bankers, Regulatory and Government authorities, Stock Exchanges and business associates for their cooperation, encouragement and continued support extended to the Company. Your Directors also wish to place on record their appreciation to the Associates for their continuing support and unstinting efforts in ensuring an excellent all round operational performance at all levels.

For and on behalf of the Board of Directors

**Polytex India Limited**

**Arvind Mulji Kariya**  
**Director & CFO**  
**DIN: 00216112**

**Jigna Arvind Kariya**  
**Director**  
**DIN: 02376901**

**Date:** 14/08/2023

**Place:** Mumbai

## Annexure I

## Form AOC - 2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act, and Rule 8(2) of the Companies (Accounts) rules, 2014)**

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

## 1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2023, which were not arm's length basis.

## 2. Details material contract or arrangement or transactions at arm's length basis

(a)	Name (s) of the related party & nature of relationship	Ankita Gupta, Company Secretary	Arvind Mulji Kariya Director & CFO
(b)	Nature of contracts / arrangements / transactions	Salary	Loan from Director
(c)	Duration of the contracts / arrangements / transactions	On Going	On Going
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Salary, Rs. 4,20,000	Loan taken from Mr. Arvind Mulji Kariya Rs, 9,02,000
(e)	Date(s) of approval by the Board	13.08.2022	10.11.2021
(f)	Amount paid as advances, if any	NIL	NIL

**Annexure II**

**SECRETARIAL AUDIT REPORT**

**FORM NO. MR - 3**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

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

To,  
**The Members,**  
**POLYTEX INDIA LTD**  
(CIN: L51900MH1987PLC042092)  
401, 4<sup>th</sup> Floor, Nisarg Apartment, Besant Road,  
Vile Parle (West), Mumbai - 400056.

I have conducted the secretarial audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. POLYTEX INDIA LTD.** having **CIN: L51900MH1987PLC042092** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct / Statutory compliances and expressing my opinion thereon.

Based on my verification of the POLYTEX INDIA LTD books, papers, minute books, form 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, form and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:-

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (3) The Depository 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;
- (5) The following Regulation 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, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company during the Audit period.**

- f. The Securities and Exchange Board of India (Registration to an Issue and Share Transfer Agents) Regulation, 1993, regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable to the Company during the Audit period.**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company during the Audit period.**
- (6) The Factories Act, 1948 and Industrial law applicable to the Company: - **Not applicable to the Company during the Audit period.**

**I have also examined Compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board (“SS-1”) and General Meetings (“SS-2”)
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s) if applicable.

**Constitution of Committees;**

We observed that the company has properly constituted three committee namely Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. However, Company is under process to comply with that provision under the implementation of resolution plan.

List of e-forms required to be filed for financial year under review period: The details are mentioned in **Annexure I**.

**Section 135 - Corporate Social Responsibility Committee:**

Corporate Social Responsibility Committee is not required to be constituted as per the provisions of Companies act, 2013.

**Section 173 - Board meetings:**

The company has complied with the provisions of the section 173 of the Act and as well complied with SEBI LODR, 2015. Company has conducted 14 Board meetings as mentioned below.

Sr. No.	Board Meeting	Audit Committee	Remuneration Committee	Stakeholders Committee
	Date	Date	Date	Date
1	04.05.2022	04.05.2022	04.05.2022	04.05.2022
2	30.05.2022	30.05.2022	30.05.2022	30.05.2022
3	13.08.2022	13.08.2022	13.08.2022	13.08.2022
4	11.11.2022	11.11.2022	11.11.2022	11.11.2022
5	10.02.2023	10.02.2023	10.02.2023	10.02.2023

**Non-Compliances/delay in compliances under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and other Corporate Laws:**

During the period under review, the Company has following non-compliances/delay in compliances of the Regulation of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

- i. Regulation 7(3) - Compliance certificate certifying maintaining physical and electronic transfer facility (to be submitted within one month from the end of the financial year).

Period	Date of Submission with BSE	Delay / Non-compliances
April 22 - March 23	11.04.2023	No



- ii. Regulation 13(3) - Statement of Investor Complaints (to be submitted within 21 days from the quarter end).

Quarter	Date of Submission with BSE	Delay / Non-compliances
Apr - Jun 2022	29.07.2022	Delay in Compliance
Jul - Sep 2022	13.10.2022	No
Oct - Dec 2022	12.01.2023	No
Jan - Mar 2023	20.04.2023	No

- iii. Regulation 21 - Risk Management Committee is constituted and composition is as per the SEBI regulations. As per information provided by the management of the company, Risk management policy is pending before the Board of Directors for approval and during the review period the meeting of risk management committee was held on 23rd March 2023.

- iv. Regulation 27(2) - Corporate Governance (to be submitted within 21 days from the quarter end).

Quarter	Date of Submission with BSE	Delay / Non-compliances
Apr - Jun 2022	20.07.2022	No
Jul - Sep 2022	19.10.2022	No
Oct - Dec 2022	16.01.2023	No
Jan - Mar 2023	11.04.2023	No

- v. Regulation 31 - Shareholding Pattern (to be submitted within 21 days from quarter end).

Quarter	Date of Submission with BSE	Delay / Non-compliances
Apr - Jun 2022	29.07.2022	Delay in Compliance
Jul - Sep 2022	21.10.2022	No
Oct - Dec 2022	08.01.2023	No
Jan - Mar 2023	06.04.2023	No

- vi. Regulation 33 - Financial Results (to be submitted within 45 days from the quarter end and in case of the Annual Financial Result within 60 days from the end of financial year).

Quarter	Date of Submission with BSE	Delay / Non-compliances
Apr - Jun 2022	14.08.2022	No
Jul - Sep 2022	11.11.2022	No
Oct - Dec 2022	10.02.2023	No
Jan - Mar 2023 (Annual Accounts)	26.05.2023	No

- vii. Regulation 40(9) - Certificate from Practicing Company Secretary/Chartered Accountants in respect of delivery of Share Certificates within prescribed period from the date of lodgment of for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies (to be submitted within one month of the end of each half of the financial year).

Half year ended	Date of Submission with BSE	Delay / Non-compliances
April 2022 - March 2023	11.04.2023	No

**Non-compliances / delay in Compliances under Securities and Exchange Board (Depositaries Participants) Regulations, 1996;**

- viii. Regulation 76 of Securities and Exchange Board (Depositaries Participants) Regulations, 2018 (Reconciliation of Share Capital Audit Report to be submitted within 30 days from quarter end);

Quarter	Date of Submission with BSE	Delay / Non-compliances
Apr - Jun 2022	30.07.2022	No
Jul - Sep 2022	30.10.2022	No
Oct - Dec 2022	12.01.2023	No
Jan - Mar 2023	11.04.2023	No

**Non-compliances / delay in Compliances under Securities and Exchange Board (Depositories Participants) Regulations, 2018.**

- ix. Compliance certificate under Regulation 74(5) Securities and Exchange Board (Depositories Participants) Regulations, 2018 (quarterly compliance within 15 days from end of quarter)

Quarter	Date of Submission with BSE	Delay / Non-compliances
Apr - Jun 2022	29.07.2022	Delay in Compliance
Jul - Sep 2022	13.10.2022	No
Oct - Dec 2022	08.01.2023	No
Jan - Mar 2023	08.04.2023	No

**Non-compliances / delay in Compliances under RBI Act 1934 and rule made therein;**

- a) We observed that during the under-review period the Company is in process and delay with compliance with RBI norms which is described under (Reserve Bank) Directions, 2016 and provisions of RBI Act 1934 and rule made therein as applicable to the company.

**Compliance of Secretarial standards in accordance with section 118 (10) of Companies Act, 2013.**

- a. During the period under review the company has complied with requirements of Secretarial standard I with respect to the Board meetings for preparation of notice, agenda, notes on agenda, preparation of minutes.
- b. During the period under review the Company has complied with the requirements of Secretarial Standard II with respect to the Annual General meetings for preparation of notices, agenda, explanatory statements.

I report that, according to SEBI SOP Circular No. ISEBI/HO/CFD/CMD/CIR/P/2020)/12 dated January 22, 2020 the Exchange (BSE) was imposed fine/penalty amounting of Rs. 28,320/- in relation to non-compliance of SEBI (LODR) Regulations, 2015 through mail dated 16th August,2022 to the Company, for late submission of Investor Grievance Report under Regulation 13(3), and submission of shareholding pattern Regulation 31 and BSE also impose the penalty of Rs. 76,700/- on company with reference to Fines as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 Regulation 23 (9) - Non-compliance with disclosure of related party transactions on consolidated basis.

I further report that 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.

As per minutes of the meetings duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views have been recorded.

I further report that during the audit period there were no specific events/actions in pursuance of the above laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

We further report that during the audit period the company has not indulged in any matter related to the following:

- a. Public / Right / Preferential / Debentures / Sweat equity issue etc.
- b. Redemption / Buy-back of securities.
- c. Major decisions are taken by the members in pursuance to section 180 of the Companies Act 2013
- d. Merger / amalgamation / reconstruction, etc.

e. Foreign technical collaborations.

I further report that the compliance by the company with applicable financial law like direct and indirect tax law has not been reviewed in this audit since the same has been subject to the review by statutory financial audit and other designated professionals

**For Sandeep Dubey & Associates  
(Practicing Company Secretary)**

**Sd/-  
Sandeep Dubey  
Proprietor  
Membership No.: 47940  
COP No.: 17902  
UDIN: A047940E000756670**

**Date: 07/08/2023**

**Place: Mumbai**

**Annexure A to Secretarial Audit Report**

To,  
**The Members,**  
**M/s. POLYTEX INDIA LTD**  
(CIN: L51900MH1987PLC042092)  
401, 4<sup>th</sup> floor, Nisarg Apartment, Besant Road,  
Vile Parle (West), Mumbai - 400056.

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

- a. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. I have followed the audit practices and processes as applicable 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.
- c. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
- d. Wherever required, I have obtained the management representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
- e. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
- f. In preparing the report, I have relied on the correctness and accuracy of the information provided to me orally and in writing by on behalf of the Company.

- g. 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 Sandeep Dubey & Associate  
(Practicing Company Secretary)**

**SD/-**

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**CS Sandeep Dubey  
ACS No.: 47940  
COP No.: 17902  
UDIN: A047940E000756670**

**Place: Mumbai**

**Date: 07/08/2023**

**Annexure III**

**The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23

NIL

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23.

Mr. Paresh Kariya (WTD) : 0%

Mr. Arvind Kariya (WTD & CFO) : 0%

\*Mrs. Ankita Gupta  
(Company Secretary) : 48.67%

3. The median remuneration of employees of the Company during the financial year 2022-23 was Rs. 4,20,000/-, there was increase of 48.67% in the median remuneration of employees;
4. There were 1 numbers of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2023.
5. The explanation on the relationship between increase in remuneration and company performance: While recommending increase in remuneration, the Company takes into account various factors like financial performance of the Company and the group, comparison with peers, and consideration towards cost of living adjustments and inflation. Average increase in employee remuneration for the F.Y. 2022-23 is 45.67%. The calculation of average increase in employees' remuneration is done based on comparable employees.



The Company follows holistic performance review mechanism to ensure that the increase is commensurate with the performance of employee and company.

6. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-23, and comparison with the decrease in the managerial remuneration for the same financial year.

Remuneration paid to employees excluding managerial personnel for the FY 2021-22	Remuneration paid to employees excluding managerial personnel for the FY 2022-23	% change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the FY 2021-22	Remuneration paid to managerial personnel for the FY 2022-23	(%) change in remuneration paid to managerial personnel
2,82,500	4,20,000	(45.67)	Nil	Nil	Nil

There were no exceptional circumstances for increase in Managerial Remuneration.

7. Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

**MANAGEMENT'S DISCUSSION AND ANALYSIS****1. Indian Economy:**

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The financial sector in India had an overall growth of 15%, which has exhibited stability over the last few years although several other markets across the Asian region were going through a turmoil. The development of the system pertaining to the financial sector was the key to the growth of the same. The recap of contact - Non - banking financial companies (NBFC's) form an integral part of the Indian financial system. The NBFC's sector is divided into equipment leasing / hire purchase finance, loan and investment. NBFC's always played an important role in promoting financial inclusion in India, these companies are deeply interconnected with entities in financial sector. They have been complementing and supplementing the banking sector in reaching out credit to the Un-banked segments of the society. The biggest contribution of NBFC's is their ability to cater to the needs of the MSME's which form the cradle of Entrepreneurship and innovation in India. intensive services and rising discretionary spending is leading private consumption to regain its momentum. Because of the monsoon forecast, the agricultural prospects are brighter too. Along with this, even the investment cycle show signs of revival. However, challenges in the form of geo political tensions, elevated commodity prices and slowing external demand may remain as a barrier towards sustained and inclusive growth of the economy.

**2. NBFC Industry:**

NBFCs have become important constituents of India's financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs continue to leverage their superior

understanding of regional dynamics and customised products and services to expedite financial inclusion in India. Lower transaction costs, innovative products, quick decision making, customer orientation and prompt service standards have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, these are well-suited to bridge the financing gap in a large country like India. Systemically important NBFCs have demonstrated agility, innovation and frugality to provide formal financial services to millions of Indians. The growing importance of NBFCs is reflected in the consistent rise of their credit as a proportion to GDP as well as in relation to credit extended by SCBs to the NBFC sector.

In recent years as the impact of the second COVID-19 wave waned and the third wave turned out to be shortlived, the NBFC sector regained momentum, cushioned by proactive policy measures announced by the RBI and the Government. The economic survey has observed that credit extended by NBFCs is picking up momentum, with the aggregate outstanding amount at H 31.5 trillion as on September 2022. NBFCs continued to deploy the largest quantum of credit to the industrial sector, followed by retail, services, and agriculture. Loans to the services sector (share in outstanding credit being 14.7%) and personal loans (share of 29.5%) registered a double digit growth.

### **3. Macroeconomic Indicators**

Financial year 2023 began on a mixed note. On the positive side, after wreaking havoc for almost two years, the impact of the COVID-19 pandemic on lives and livelihoods started receding. This was aided by a mass immunisation programme and the advent of a less virulent variant called omicron. However, the flip side was the impact of inflationary trends, supply chain disruptions emanating from China, and the start of the Russia-Ukraine conflict impacting commodity prices. In FY2023, the Indian economy faced multiple challenges. The country's retail inflation indicator, consumer price inflation (CPI) inched above the RBI's tolerance range in January 2022. It

remained above the target range for almost twelve months before retracting within the upper tolerance of 6% in November 2022. Rising international crude prices coupled with domestic weather conditions like excessive heat and unseasonal rains kept food prices high, fuelling retail inflation. The Government cut excise and customs duties and restricted exports to cool off inflation. The RBI, like other central banks, raised the monetary policy rates and reduced excess systemic liquidity. Major areas of concern for the economy were elevated commodity prices leading to a depreciation of the Indian rupee, higher retail inflation (both core and food inflation) leading to the RBI raising interest rates and rationalising systemic liquidity, and a rising current account deficit (CAD). However, despite these critical challenges, India emerged as the fastest growing major economy in the world. The second advance estimate of national income released by the central statistics office (CSO) on 28 February 2023 expects real GDP growth in FY2023 to be 7.0%.

**4. Internal Control System and Adequacy:**

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. The control systems set on place are checked and further supplemented by MIS which provided for planned expenditure and information on disposal and acquisition of assets. Your company has an adequate system of internal control, designed to provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with management's authorisation and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Besides, the management has put in place system for review and monitoring of non-performing assets, if any of the company for effecting recoveries.

**5. Financial:**

The financial performance of the Company has been satisfactory in the year under review. The Financial performances of the Company are given as under:-

<b>Performance</b>	<b>Year ended 31<sup>st</sup> March, 2023</b>	<b>Year ended 31<sup>st</sup> March, 2022</b>
Profit / (Loss) before Depreciation and Taxation	(15,00,885)	(82,13,788)
Depreciation	NIL	NIL
Profit / (Loss) before Tax	(15,00,885)	(82,13,788)
Profit after Tax	(7,48,994)	(74,59,175)
Proposed Dividend	NIL	NIL
Interim Dividend	NIL	NIL
Dividend Tax	NIL	NIL
Transfer to General Reserve	NIL	NIL
Balance b/f from last year	(10,67,82,279)	2,13,04,720
Balance c/f to Balance Sheet	(10,75,31,273)	(10,67,82,279)

**6. Human Resources:**

Your company always regards human resources as its most valuable asset and continuously evolves policies and process to attract and retain its substantial pool of managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance. The company has a competency based performance and potential appraisal systems for identifying and developing managerial talents and is reviewed on an ongoing basis. Emphasis is laid on providing adequate training to its employees, to meet the attitudinal and cultural values of the organization ethos to achieve customer satisfaction.

**7. Disclaimer:**

Certain Statements in the management Discussion and Analysis describing the company' s views about the industry, expectations, objectives, etc. may be understood within the meaning of applicable laws and regulations. Factors like changes in Government regulations, tax laws and other factors are such a s industrial relations a n d economic developments etc. may further influence the company' s operations or performance.

**REPORT ON CORPORATE GOVERNANCE**

The detailed report for the financial year ended March 31, 2023 on the compliance with the Corporate Governance requirements as specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), as set out below:

**Company's Philosophy on Code of Governance:**

Your Company is committed to bring about good corporate governance practices. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, customers, employees, the government and the lenders.

The Company believes that the essence of Good Governance lies in promoting and maintaining integrity, transparency and accountability across the organization.

**1. Board of Directors****(a) Composition of the Board**

The Board of Directors is headed by an Executive Chairman, Mr. Arvind Mulji Kariya who is a Whole Time Director of the Company. The Board is comprised of committed and eminent persons with considerable professional experience in varied fields and comprises a majority of Non-Executive Directors. The composition of the Board of Directors is in conformity with

Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**(b) Board Meetings and AGM / EGM**

Five Board Meetings were held during the year under review. The dates on which the meetings were held are 04.05.2022, 30.05.2022, 13.08.2022, 11.11.2022 and 10.02.2023. The Annual General Meeting was held on 30.09.2022.

**Directors' Attendance Record and Directorships held**

Director	Whether Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee	Number of Board Meetings attended	Whether attended last AGM	No. of Directorships held #	No. of Board Committees of other Companies in which a Member or a Chairman @
Mr. Arvind Mulji Kariya	Chairman - Executive	5	Yes	6	0
Mrs. Jegna Kariya	Non-Executive Independent Director	2	Yes	2	0
Mrs. Deepa Jayramdas Lakhawani	Independent - Non-Executive	2	Yes	2	2
Mrs. Heena Gurmukhdas Kukreja	Independent - Non-Executive	2	Yes	1	0
Mr. Kapil Purohit	Independent - Non-Executive	2	Yes	2	0

# above mentioned directorship(s) includes directorships in Polytex India Limited and excludes alternate directorship and directorship in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.

@Excludes committees other than Audit Committee & Shareholders' / Investors' Grievance Committee and Companies other than public limited companies.

**(c) Details of Directors Seeking Re-Election**

Pursuant to Section 152 of the Companies Act, 2013, Mr. Arvind Mulji Kariya, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

**2. Board Committees:**

**(a) Audit Committee:**

As on 31<sup>st</sup> March, 2023, the Audit Committee comprises of the following three Non-Executive Independent Directors:

Mrs. Deepa Jayramdas Lakhawani - Chairman

Mrs. Heena Gurmukhdas Kukreja - Member

Mr. Kapil Purohit - Member

The Audit Committee met five times i.e. on 04.05.2022, 30.05.2022, 13.08.2022, 11.11.2022 and 10.02.2023 during the financial year 2022-23.

Details of attendance of each member are as follows:

Name	Number of Audit Committee Meetings Attended
Mrs. Deepa Jayramdas Lakhawani	2
Mrs. Heena Gurmukhdas Kukreja	2
Mr. Kapil Purohit	2



**Terms of Reference:**

The terms of reference, role and scope of the Audit Committee covers the matters specified under Regulation

18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 177(4) of the Companies Act, 2013 such as overseeing of the Company's financial reporting process, recommending the appointment/re-appointment of Statutory Auditors and fixation of their fees, reviewing quarterly, half yearly and annual financial statements, changes in accounting policies & practices, compliances with the accounting standards, major accounting entries involving estimates based on the exercise of judgment by management, compliance with listing and other legal requirements relating to financial statements, scrutiny of inter-corporate loans and investments, disclosures of related party transactions, if any, scrutiny of inter-corporate loans and investments, evaluation of internal financial controls, review of uses/application of funds raised through an issue i.e. public issue, rights issue, preferential issue, etc., before they are submitted to the Board of Directors. The Committee also reviews Management Discussion and Analysis of financial condition and results of operations and statement of significant related party transactions submitted by Management.

The Audit Committee's functions include reviewing the internal audit reports, adequacy of the internal audit functions, its structure, reporting process, audit coverage and frequency of internal audits. The responsibility of the Committee is to also review the findings of any internal investigation by the internal auditors in matters relating to suspected fraud or irregularity or failure of internal control systems of material nature, if any and report the same to the Board.

**(b) Nomination and Remuneration Committee: Composition:**

As on 31<sup>st</sup> March, 2023, the Nomination and Remuneration Committee comprises of the following three Non-Executive and Independent Directors:

Mrs. Deepa Jayramdas Lakhawani - Chairman

Mrs. Heena Gurmukhdas Kukreja - Member

Mr. Kapil Purohit - Member

Nomination and Remuneration Committee met for 5 times in the year on 04.05.2022, 30.05.2022, 13.08.2022, 11.11.2022 and 10.02.2023 during the financial year 2022-23 Details of attendance of each member are as follows:

Name	Number of Nomination and Remuneration Committee Meetings attended
Mrs. Deepa Jayramdas Lakhawani	2
Mrs. Heena Gurmukhdas Kukreja	2
Mr. Kapil Purohit	2

**Terms of Reference:**

The terms of reference of the Committee inter alia, include the following:

- To review, assess and recommend appointment and remuneration of executive directors.
- To review the remuneration packages payable to executive directors periodically and recommend suitable revision/ increments, whenever required to the Board of Directors of the Company.
- To recommend the commission payable to non- executive directors in accordance with and upto the limits laid down under the Companies Act, 2013.

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down.
- To recommend to the Board the appointment and removal of the director and shall carry out evaluation of every director performance.
- To formulate criteria for determining qualifications, positive attributes and independence of the director.
- To recommend to the Board of a 'policy' relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- To devise a policy on Board Diversity.
- To carry out such other functions as delegated by the Board from time to time.

**Remuneration Policy:**

The Board of Directors of the Company have approved Nomination & Remuneration Policy of the Company, which sets out the guiding principles for appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

Appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management:

**I. Appointment Criteria and Qualifications:**

- a) A person being appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he / she is considered for appointment.
- b) Independent Director:
  - i) Qualifications of Independent Director:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

ii) **Positive attributes of Independent Directors:**

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best corporate governance practices.

**1. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**2. Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**II. Remuneration:****A. Directors:**

- a) Executive Directors (Managing Director, Manager or Whole Time Director):
- i) At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination and Remuneration (N&R) Committee and the Board of Directors) within the overall limits prescribed under the Companies Act, 2013.
- ii) The remuneration shall be subject to the approval of the Members of the Company in General Meeting as per the requirement of the Companies Act, 2013.
- iii) The remuneration of the Manager/ CEO/ Managing Director / Whole Time Director is broadly divided into fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. In determining the remuneration (including the fixed increment and performance bonus), the Committee shall consider the following:
- the relationship of remuneration and performance benchmark;
  - balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - responsibility required to be shouldered, the industry benchmarks and the current trends;
  - The Company's performance vis-a-vis the annual budget achievement and individual performance.

**b) Non-Executive Director:**

- The Non-Executive Independent Director may receive fees for attending meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- A Non-Executive Director may be paid commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Committee.
- The Committee may recommend to the Board, the payment of commission, to reinforce the principles of collective responsibility of the Board.
- In determining the quantum of commission payable to the Directors, the Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013.
- The commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.

**B. KMP & Senior Managerial Personnel:**

The remuneration to the KMP and Senior Management Personnel will be based on following guidelines:

- maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;

- compensation should be reasonable and sufficient to attract retain and motivate KMP and senior management;
- Remuneration payable should comprise of a fixed component and a performance linked variable based on the extent of achievement of individual performance versus overall performance of the Company;
- Remuneration shall be also considered in form of long term incentive plans for key employees, based on their contribution, position and length of service, in the nature of ESOPS/ESPS.

### III. Evaluation:

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The Committee shall also formulate and provide criteria for evaluation of Independent Directors and the Board as a whole, if applicable.

### Remuneration to Directors:

Details of remuneration paid to the Executive Directors during the year ended 31.03.2023 are as follows:

Name	Relation with Polytex	Inter-se Relation	Salary	Stock Option	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Paresh Mulji Kariya	Chairman & Whole Time Director	Brothers	-	-	-	-	-	-
Mr. Arvind Mulji Kariya	Whole Time Director & CFO	Brothers	-	-	-	-	-	-

**Details of Remuneration / Compensation Paid to the Non- Executive / Independent Director During the Year Ended 31.03.2023:**

The Non Executive Directors do not draw any remuneration from the Company. The Board of Directors of the Company has resolved to waive the Sitting Fees for attending all the meetings of the Board as well as committees and hence the Non Executive Directors have not drawn any sitting fees for attending the Board Meetings and Meeting of any Committees.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during 2022-2023.

**Disclosure of Shareholding by Non-Executive Directors**

Sr. No.	Name of Director	No. of Shares Held
1	Mrs. Deepa Jayramdas Lakhawani	NIL
2	Mrs. Heena Gurmukhdas Kukreja	NIL
3	Mr. Kapil Purohit	NIL
4	Mrs. Jegna Arvind Kariya	22,00,500

c) Stakeholders Relationship Committee:

The constitution and the term of reference of the Stakeholders Relationship Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations. As on 31<sup>st</sup> March, 2023, the Stakeholders Relationship Committee comprises of the following 3 Non-Executive - Independent Directors:

Mrs. Deepa Jayramdas Lakhawani - Chairman

Mrs. Heena Gurmukhdas Kukreja - Member

Mr. Kapil Purohit - Member



**Terms of Reference:**

The terms of reference of the Stakeholders' Relationship Committee are as follows:

Consider and resolve the grievance of security holders of the Company including redressal of investors complaints such as transfer or credit of securities, non-receipt of dividend/notice/annual reports, etc. and all other securities - holders related matters.

**Name and designation of Compliance Officer:** Mr. Ankita Gupta, Company Secretary of the was performing the duties of Compliance Officer

**Detail of shareholders' Complaints received and disposed of during the year under review are as under:**

Pending at the beginning of the financial year	Nil
Received during the financial year	Nil
Disposed off during the financial year	Nil
Pending at the end of the financial year	Nil

**3. Familiarization Programme for Independent Directors:**

The Independent Directors are familiarized, interalia, with the Company, their duties, roles and responsibilities, the nature of the industry, the business model of the Company. The details of the same can be viewed at <http://www.polytexindia.com/corporategovernance>.

**General Body Meetings:**

(a) Location and time, where last 3 years' Annual General Meetings were held:

<b>Date &amp; Time</b>	<b>Location</b>	<b>Special Resolution Passed</b>
30 <sup>th</sup> September, 2022 03.00 pm	through Video Conferencing ("VC") / Other Audio Visual Means	NIL
30 <sup>th</sup> September, 2021 03.00 pm	through Video Conferencing ("VC") / Other Audio Visual Means	NIL
30 <sup>th</sup> September, 2020 10.00 am	1 <sup>st</sup> Floor, Nisarg Apartment, Besant Road, Vile Parle (West), Mumbai - 400056.	3

**(b) Postal Ballot:**

During the year ended March 31, 2023, no resolutions were passed through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution thorough Postal Ballot. No Special Resolution is proposed to be conducted through Postal Ballot at the ensuing AGM.

**4. Other Disclosures:****(a) Related Party Transactions**

Disclosures on 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:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large. The Related Party Transaction policy is posted on the

Company's Website: [www.polytexindia.com](http://www.polytexindia.com)

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**(b) Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior , fraud or violation of Company's code of conduct.

**(c)** The Company has generally complied with all the requirements of Listing Regulation, 2015 entered into with the Stock Exchange(s) or Securities and Exchange Board of India or any Statutory Authority on matters related to capital markets, as applicable from time to time.

**(d)** No penalty was imposed or strictures passed against the Company by the Stock Exchanges or SEBI or any statutory authorities on any matter related to capital markets during last three years.

**5. CEO / CFO Certification**

Mr. Arvind Mulji Kariya - Chief Financial Officer of the Company have certified to the Board with regards to the compliance in terms of regulation 17(8) of Listing Regulations.

**6. Means of Communication**

**(a)** Quarterly Results are published in Active Times, English daily newspaper circulating in substantially the whole of India and in Mumbai Lakshadeep Marathi daily newspaper.

**(b)** Investor E-mail ID of the Registrar & Share Transfer Agents: All the share related requests / queries / correspondence, if any, are to be forwarded by the

investors to the Registrar and Transfer Agents of the Company, Link Intime India Pvt Ltd and/or e- mail them to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

- (c) BSE Corporate Compliance & Listing Centre: The Listing Centre is a web based application designed by BSE for Corporates. The Shareholding Pattern, Corporate Governance Report, Financial Results, Analyst Presentations, Press Release and other intimations are filed electronically on BSE’s Listing Centre.
- (d) SEBI Complaints Redress System (SCORES): the investor Complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- (e) The Management Discussion & Analysis Report forms part of the Annual Report.
- (f) As required in terms of Regulation 46 of the Listing Regulations, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is [polytexindia@gmail.com](mailto:polytexindia@gmail.com)

## 7. General Shareholder Information

AGM: Date, Time and Venue	30 <sup>th</sup> September, 2023 at 03.00 p.m. through Video Conferencing (“VC”)/Other Audio Visual Means
Financial Year	The financial year under review covers the period 1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023.
Date of Book Closure	Sunday, 24 <sup>th</sup> September, 2023 to Saturday, 30 <sup>th</sup> September, 2023 (both days inclusive)
Listing on Stock Exchanges	1. BSE Limited, Mumbai  The Company has not paid the listing fees for the period 1st April 2022 to 31st March 2023 due to shortage of funds and the same is in the process to be paid.
Stock Code	1. 512481 on BSE Ltd. 2. ISIN Number for NSDL & CDSL - INE012F01016
Market Price Data: High, Low during each month in last financial year	The details are available as per Annexure “A”

Registrar and Transfer Agents	<b>Link Intime India Pvt. Ltd.</b> Registrars: C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083.
Share Transfer System	The Company's shares are traded in the Stock Exchange compulsorily in demat mode. Shares sent for physical transfer or dematerialization requests are registered promptly within stipulated time from the date of receipt of completed and validly executed documents.
Dematerialisation of shares and liquidity	100% of the Paid-up Capital have been dematerialized as on 31.03.2023. The trading /liquidity details are given at Annexure 'A' below.
Distribution of Shareholding and share holding pattern as on 31.03.2023	Please see Annexure 'B'
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments conversion date and likely impact on equity	N.A.
Plant Locations	N.A.
Address for Correspondence	Shareholders should address correspondence to: <b>Link Intime India Pvt. Ltd.</b> Registrars C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083. E mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> .

## Annexure A

## Stock Market Data (for face value of Rs. 10/- per share):

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
Apr 22	6.54	3.87	4,55,800
May 22	4.78	3.68	89,026
Jun 22	4.20	3.15	85,667
Jul 22	3.92	2.89	77,539
Aug 22	5.10	3.14	1,22,270
Sep 22	4.80	3.63	74,335
Oct 22	4.37	3.21	29,664
Nov 22	3.59	3.00	65,443
Dec 22	4.74	3.10	1,11,615
Jan 23	4.56	3.52	1,29,391
Feb 23	4.05	3.39	39,209
Mar 23	4.02	3.23	1,17,194

## Data based on BSE website:

(<https://www.bseindia.com/markets/equity/EQReports/StockPrcHistori.aspx?flag=0&type=ETF>)

**Annexure B**

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

Category	No. of Shares	Percentage
Corporate Bodies (Promoter Co.)	460000	3.4074
Clearing Members	18510	0.1371
Other Bodies Corporate	216971	1.6072
Hindu Undivided Family	338725	2.5091
Non Resident Indians	7422	0.0550
Non Resident (Non Repatriable)	3708	0.0275
Public	3041631	22.5306
Promoters	4448000	32.9481
Body Corporate - Ltd. Liability Partnership	7759	0.0575
Investor Education And Protection Fund	369274	2.7354
Directors and their relatives (excluding independent Directors and nominee Directors)	4588000	33.9852
<b>TOTAL</b>	<b>13500000</b>	<b>100</b>

**Non Mandatory Requirements:****(a) Office of the Chairman of the Board:**

The Company does not defray any secretarial expenses of the Chairman's Office.

**(b) Shareholder Rights:**

The Company's half-yearly results are furnished to the Stock Exchange and also published in the newspapers and therefore not sent to the shareholders.

**(c) Audit Qualification:**

The Auditor's Report to the Members on the Accounts of the Company for the financial year ended 31st March, 2022 one contain any qualifications, reservations or adverse remarks and the clarification is given by the management in the Director report

Adoption of other non-mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being reviewed by the Board from time to time.

Further, the Company has complied with corporate governance requirements as specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 to the extent applicable.

**Declaration relating to Code of Conduct**

All the Board Members and Senior Management Personnel have, for the year ended 31<sup>st</sup> March 2022, affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**For and on behalf of the Board of Directors****Place: Mumbai****Date: 14<sup>th</sup> August, 2023**

**Sd/-**  
**Arvind Mulji Kariya**  
**Director & CFO**  
**DIN: 00216112**



**CERTIFICATE OF COMPLIANCE**

**Pursuant to Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015**

I, Mr. Arvind Mulji Kariya - Chief Financial Officer and Director of the Company , hereby certify on behalf of the Board of Directors that:

- 1) The Board have reviewed the financial statements and the cash flow statements for the year ended 31<sup>st</sup> March, 2022 and that to the best of their knowledge and belief
  - a) these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements presents true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- 3) The Board accepts responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, Deficiencies in the design or operation of internal controls, if any, of which they have taken or propose to take to rectify these deficiencies.
- 4) The Board have indicated to the auditors and the Audit Committee:
  - a) There are no significant changes in internal control during the year;

- b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to Financial Statements; and
- c) There have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems.

**Sd/-**  
**Arvind Mulji Kariya**  
**Director & CFO**  
**DIN: 00216112**

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
**The Members**  
**M/s. Polytex India Limited**  
401, 4<sup>th</sup> floor, Nisarg Apartment,  
Besant Road, Vile Parle (West),  
Mumbai - 400056.

I have examined the compliance of conditions of Corporate Governance by Polytex India Limited (CIN- L51900MH1987PLC042092) for the year ended on 31/03/2023, pursuant to Regulation of 15(2) of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was carried out in accordance with the guidance note on certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company

for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the LODR 2015.

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

**For Sandeep Dubey & Associate**  
**(Practicing Company Secretaries)**

**Sd/-**  
**CS Sandeep Dubey**  
**Proprietor**  
**ACS No.: 47940**  
**COP No.: 17902**  
**UDIN: A047940E000852361**

**Date: 07.08.2023**  
**Place: Mumbai**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**POLYTEX INDIA LIMITED**

**Opinion**

We have audited the Standalone Financial Statements of **POLYTEX INDIA LIMITED** (“the Company”), which comprise the balance sheet as at 31<sup>st</sup> March 2023, and the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and notes to the standalone Ind AS financial statements, 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, our report the aforesaid financial statements give the information required by the Companies Act 2013 as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31<sup>st</sup>, 2023 its profit 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 in accordance with the Accounting Standards (AS) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

1. Valuation of the unquoted investment (as per IND AS 109) are subject to the valuation by independent valuer. As per management explanation, they are under process to carry out fair valuation from registered valuer. Due to not availability of valuation report, we are not able to comment on the same.
2. Company is not complied the provision of IND AS-19 for Employee benefit. As per management opinion company having only one employee during the year and who is also not completed five years.

Our opinion is not modified in respect on this matter,

**Material uncertainty related to Going Concern**

Company is not having any income from operations during the year and Current liabilities is more than the current assets further due to non-recovery from NPA accounts. Hence, these event or conditions indicate that a is material uncertainty exists that may cause significant doubt in the company's ability to continue as a going concern. However, the standalone financial of the company have been prepared on a going concern basis for as reason stated on the said note.

**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 not determined the any matters to described to be the key audit matters.

**Information other than the financial statements and auditors' report thereon**

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

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

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

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

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.

- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or

entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) No dividend have been declared or paid during the year by the company.

**For Agrawal Jain & Gupta**

Chartered Accountants

Firm Reg. No.: 013538C

**Ca Sarwan Kumar Prajapati**

Partner

Membership No.: 199969

UDIN: 23199969BGTBSW6107

Date: 26<sup>th</sup> May, 2023

Place: Mumbai

**Annexure 'A'****The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".**

We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;  
(B) The company does not have intangible Assets during the year therefore these clause is not applicable to the company;  
(b) As explained to us, Property, Plant and Equipment have been physically verified by the management at the reasonable interval and no material discrepancies were noticed on such verification. Company does not have the property plat and equipment's, there for this clause does not applicable to Company.  
(c) According to the information and explanation given to us and based on verification of records provided to us, Company does not have the immovable properties, there for this clause does not applicable to Company.  
(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.  
(e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.  
(b) According to information and explanations given to us, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of

current assets during any point of time of the year. Therefore, this clause is not applicable.

(iii) (a) The Company being a Non-Banking Finance Company, the provisions of clause 3 (iii) (a) are not applicable to the company.

(b) According to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest;

(c) The Company being a Non-banking Finance company is in the business of as granting loans and advances in the nature of loans. The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular except accounts which are overdue are classified as special mention accounts or non-performing assets as per RBI norms.

(d) Since the term of arrangement do not stipulate any repayment schedule, we are unable to comment whether the amount is overdue or not.

(b) The Company being a Non-Banking Finance Company, the provisions of clause 3 (iii) (e) are not applicable to the company.

(c) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) The Company is a registered Non-Banking Finance Company to which the provisions of Sections 185 and 186 of the Companies Act, 2013, are not applicable, and hence reporting under clause (iv) of CARO 2020 is not applicable.

(v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by

the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.

- (vi) As per information & explanation given by the management, the company has not required to maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, hence this clause is not Applicable to Companies.
- (vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2023 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of Dues	Amount in Lacs	Year
Income Tax	TDS	0.58	2022-23

(b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute.

- (viii) As per the information and explanation provided to us and as represented to us, there were no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Clause is not applicable because company not having any Loan liabilities.

- (b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) In our opinion and according to the information and explanations given by the management, the Company has not obtained money by way of term loans during the year hence this clause not Applicable.
- (d) In our opinion and according to the information and explanations given by the management, Company has not raised short term funds hence this clause not applicable.
- (e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,
- (f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.
- (xii) The company is not a Nidhi Company. Therefore, clause xii is not applicable on the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements,
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (xv) On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.
- (b) The company is in the business of and has carried on the business of Non-Banking Financial activities during with valid Certificate of Registration (CoR) obtained from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.



- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There is no resignation of the statutory auditors during the year.
- (xix) On the information obtained from the management and audit procedures performed and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) Based on our examination, the provision of section 135 is not applicable on the company. Hence this clause is not applicable on the company.
- (xxi) Company have not any Subsidiaries or Joint venture hence, there is no need to prepare consolidated financial Statements therefore Para 3 of Clause (xxi) is not applicable to company.

**For Agrawal Jain & Gupta**

Chartered Accountants

Firm Reg. No.: 013538C

**Ca Sarwan Kumar Prajapati**

Partner

Membership No.: 199969

UDIN: 23199969BGTBSW6107

Date: 26<sup>th</sup> May, 2023

Place: Mumbai

**Annexure ‘B’****Report on Internal Financial Controls with reference to financial statements****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 **POLYTEX INDIA LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**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 March 31<sup>st</sup>, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31<sup>st</sup>, 2023, based on the internal control over financial reporting criteria established by the

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Agrawal Jain & Gupta**

Chartered Accountants

Firm Reg. No.: 013538C

**Ca Sarwan Kumar Prajapati**

Partner

Membership No.: 199969

UDIN: 23199969BGTBSW6107

Date: 26<sup>th</sup> May, 2023

Place: Mumbai

**POLYTEX INDIA LIMITED**401, 4<sup>th</sup> Floor, Nisarg Apartment, Basant Raod, Vile Parle (West), Mumbai, Maharashtra - 400056.

CIN: L51900MH1987PLC042092

(All amounts are in INR in lakhs, unless otherwise stated)

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2023**

NO.	PARTICULARS	NOTE NO.	AS AT 31-Mar-23	AS AT 31-Mar-22
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>FINANCIAL ASSETS</b>			
	Cash and Cash Equivalents	3	7.56	25.98
	Investments	4	285.12	285.12
	Loans and Advances	5	-	-
	<b>Total</b>		<b>292.68</b>	<b>311.10</b>
<b>2</b>	<b>NON-FINANCIAL ASSETS</b>			
	Current Assets	6	1.95	1.95
	Property, Plant and Equipment	7	0.41	0.41
	Intangible Assets	8	0.16	0.16
	<b>Total</b>		<b>2.52</b>	<b>2.52</b>
	<b>Total Assets</b>		<b>295.20</b>	<b>3313.61</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>			
<b>1</b>	<b>LIABILITIES</b>			
<b>i</b>	<b>FINANCIAL LIABILITIES</b>			
	Trade payables	9	7.95	8.29
	Borrowings	10	9.02	13.48
	Other financial liabilities	11	2.49	1.85
<b>ii</b>	<b>NON-FINANCIAL LIABILITIES</b>			
	Provisions	12	0.98	0.23
	Deferred Tax Liabilities-Net	13	0.07	7.59
	Other Non-Financial Liabilities	14	-	-
	<b>Total</b>		<b>20.51</b>	<b>31.44</b>
<b>2</b>	<b>EQUITY</b>			
	Equity share capital	15	1,350.00	1,350.00
	Other Equity	16	-1,075.31	-1,067.82
	<b>Equity Attributable to Owner of Company</b>		<b>274.69</b>	<b>282.18</b>
	<b>Total Liabilities and Equity</b>		<b>295.20</b>	<b>313.61</b>

For Agrawal Jain & Gupta  
Chartered Accountants  
Firm Registration No.: 013538C

For and on Behalf of the Board  
Polytex India Limited

Sd/-  
CA. SARWAN KUMAR PRAJAPATI  
Partner  
Membership No.: 199969

Sd/-  
JEGNA ARVIND KARIYA  
(Director)  
DIN: 02376901

Sd/-  
ARVIND MULJI KARIYA  
(Director & CFO)  
DIN: 00216112

UDIN: 23199969BGTBSW6107

Place: Mumbai  
Date: 26<sup>th</sup> May, 2023

Ankita Gupta  
Company Secretary

**POLYTEX INDIA LIMITED**401, 4<sup>th</sup> Floor, Nisarg Apartment, Basant Raod, Vile Parle (West), Mumbai, Maharashtra - 400056.

CIN: L51900MH1987PLC042092

(All amounts are in INR in lakhs, unless otherwise stated)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

NO.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31-Mar-23	FOR THE YEAR ENDED 31-Mar-22
<b>I</b>	<b>Income</b>			
	Income From Operation	17	-	17.52
	Other Income	18	-	-
	<b>Total Income</b>		<b>-</b>	<b>17.52</b>
<b>II</b>	<b>Expenses</b>			
	Employee Benefit Expenses	19	4.20	2.83
	Finance Cost	20	0.00	-
	Depreciation and Amortisation Expenses	-	-	-
	Other Expenses	21	10.81	96.84
	<b>Total Expenses</b>		<b>15.01</b>	<b>99.66</b>
<b>III</b>	<b>Profit before tax (I-II)</b>		<b>-15.01</b>	<b>-82.14</b>
<b>IV</b>	<b>Tax Expenses:</b>			
	Current Tax		-	-
	Deferred Tax		-7.52	7.44
	Prior-period Tax Expenses		-	-14.99
<b>V</b>	<b>Profit for the year (III-IV)</b>		<b>-7.49</b>	<b>-74.59</b>
<b>VI</b>	<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>VII</b>	<b>Total Comprehensive Income for the year</b>		<b>-7.49</b>	<b>-74.59</b>
	<b>Earnings per equity share</b>	<b>22</b>		
	Basic		-0.06	-0.55
	Diluted		-0.06	-0.55

For Agrawal Jain & Gupta  
Chartered Accountants  
Firm Registration No.: 013538C

For and on Behalf of the Board  
Polytex India Limited

Sd/-  
CA. SARWAN KUMAR PRAJAPATI  
Partner  
Membership No.: 199969

Sd/-  
JEGNA ARVIND KARIYA  
(Director)  
DIN: 02376901

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CIN: L51900MH1987PLC042092

(All amounts are in INR in lakhs, unless otherwise stated)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

PARTICULARS	31-Mar-23	31-Mar-22
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax as per Statement of Profit and Loss	-15.01	-82.14
<b>Adjusted for:</b>		
Depreciation and amortisation expenses	-	-
Interest Received During the year	-	-17.52
Fair Valuation gain on Investments	-	-
Provision For Doubtful Assets Period Upto 1-2 Years	-	-1,206.28
Extra Tax Provision Made Now Reversed	-	14.99
<b>Operating Profit before Working Capital Changes</b>	<b>-15.01</b>	<b>-1,290.95</b>
<b>Adjusted for:</b>		
Decrease / (increase) in Loans	-	-
Decrease / (increase) in Other Financial Assets	-	-
Decrease / (increase) in Current Assets	-	-
Increase / (decrease) in Trade Payables	-0.34	-5.35
Increase / (decrease) in Other Financial Liabilities	0.64	0.57
Increase / (decrease) in Provisions	0.75	-14.76
<b>Cash Generated from Operations</b>	<b>-14.00</b>	<b>-1,310.00</b>
Taxes Paid (Net)	-	-
<b>Net Cash Flow Used in Operating Activities</b>	<b>-14.00</b>	<b>-1,310.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disbursement of Loan & Advances	-	1,279.29
Interest Income	-	17.52
<b>Net Cash Flow Used in Investing Activities</b>	<b>-</b>	<b>1,296.81</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan raised from/ (repaid to) Third Party	-4.46	13.48
<b>Net Cash Flow From Financing Activities</b>	<b>-4.46</b>	<b>13.48</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>-18.42</b>	<b>-0.20</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>25.98</b>	<b>26.18</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>7.56</b>	<b>25.98</b>
<b>Cash and Cash equivalent as per above comprises of the following</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Cash and Cash Equivalents (Refer Note 3)	0.04	0.04
Earmarked balances with bank	-	-
Short term bank deposits	7.52	25.93
Balances as per statement of Cash Flows	7.56	25.98

For Agrawal Jain & Gupta  
Chartered Accountants  
Firm Registration No.: 013538C

For and on Behalf of the Board  
Polytex India Limited

Sd/-  
CA. SARWAN KUMAR PRAJAPATI  
Partner  
Membership No.: 199969  
UDIN: 23199969BGTBSW6107

Sd/-  
JEGNA ARVIND KARIYA  
(Director)  
DIN: 02376901

Sd/-  
ARVIND MULJI KARIYA  
(Director & CFO)  
DIN: 00216112

Place: Mumbai  
Date: 26<sup>th</sup> May, 2023

Ankita Gupta  
Company Secretary



**POLYTEX INDIA LIMITED**401, 4<sup>th</sup> Floor, Nisarg Apartment, Basant Raod, Vile Parle (West), Mumbai, Maharashtra - 400056.

CIN: L51900MH1987PLC042092

(All amounts are in INR in lakhs, unless otherwise stated)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****EQUITY SHARE CAPITAL**

PARTICULARS	31-Mar-22
As at 1 <sup>st</sup> April, 2021	1,350.00
Changes in equity share capital	-
As at 31 <sup>st</sup> March, 2022	1,350.00
Changes in equity share capital	-
As at 31 <sup>st</sup> March, 2023	1,350.00

**OTHER EQUITY**

	Statutory Reserve	General Reserve	Profit and Loss Account	Total
Balance as at April 01, 2021	-	5.65	207.40	213.05
Profit for the year	-	-	-74.59	-74.59
Less: Provision for Standard Assets Expenses	-	-	-1206.28	-1206.28
Transfer to/from Profit and Loss Account	-	-	-	-
Balance as at March 31, 2022	-	5.65	1,073.47	1,067.82
Less: Provision for Doubtful Assets Period 1-2 Years	-	-	-	-
Transfer to / from Profit and Loss Account	-	-	-7.49	-7.49
Balance as at March 31, 2023	-	5.65	-1,080.96	-1,075.31

For Agrawal Jain & Gupta  
Chartered Accountants  
Firm Registration No.: 013538C

For and on Behalf of the Board  
Polytex India Limited

Sd/-  
CA. SARWAN KUMAR PRAJAPATI  
Partner  
Membership No.: 199969

Sd/-  
JEGNA ARVIND KARIYA  
(Director)  
DIN: 02376901

Sd/-  
ARVIND MULJI KARIYA  
(Director & CFO)  
DIN: 00216112

UDIN: 23199969BGTBSW6107

Place: Mumbai  
Date: 26<sup>th</sup> May, 2023

Ankita Gupta  
Company Secretary

**POLYTEX INDIA LIMITED**401, 4<sup>th</sup> Floor, Nisarg Apartment, Basant Raod, Vile Parle (West), Mumbai, Maharashtra - 400056.

CIN: L51900MH1987PLC042092

(All amounts are in INR in lakhs, unless otherwise stated)

**NOTES****Forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2023****Note 3**

<b>Cash and Cash Equivalents</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Cash in Hand	0.04	0.04
Balance with Banks	7.52	25.93
<b>Total</b>	<b>7.56</b>	<b>25.98</b>
<b>Cash and Cash Equivalents as per Cash Flow Statement</b>	<b>7.56</b>	<b>25.98</b>

**Note 4**

<b>Investments</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
<b>Unquoted Shares</b>		
81,000 Equity Shares of Roochi Food Plaza Pvt. Ltd. (FV Rs.10) Purchase Cost: 81,000 Shares @ Rs. 350/-	285.12	285.12
Add: Fair Valuation Gain/(Loss)	-	-
<b>Total</b>	<b>285.12</b>	<b>285.12</b>

**Note 5**

<b>Loans and Advances</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
<b>(A) Business Loans</b>	<b>1,211.09</b>	<b>1,211.09</b>
Less: Impairment Loss Allowance	-1,211.09	-1,211.09
<b>Total (A) Net</b>	<b>-</b>	<b>-</b>
<b>(B) Out of Above</b>		
(i) Secured by tangible assets	-	-
(ii) Unsecured	1,211.09	1,211.09
Less: Impairment Loss Allowance	-1,211.09	-1,211.09
<b>Total (B) Net</b>	<b>-</b>	<b>-</b>
<b>(C) Out of Above</b>		
(i) Loans Outside India	-	-
(ii) Loans in India		
- Public Sector	-	-
- Others	1,211.09	1,211.09
Less: Impairment Loss Allowance	-1,211.09	-1,211.09
<b>Total (C) Net</b>	<b>-</b>	<b>-</b>

- We draw the Attention that the company create provision for NPA Rs. 1,206.28 lacs during the year, due to COVID-19 pandemic some unsecured Loans are delay in payment. However, the company has discussion for restructure loan accounts.

2. Company create provision for NPA Rs. 1,206.28 Lacs during the year. due to COVID-19 pandemic some unsecured Loans there is delay in payment by the parties. However, the company has discussion for restructure of its loan accounts. these accounts are become NPA. Company is not booked interest income in case of NPA account. Hence, these event or conditions indicate that a material. uncertainty exists that may cause significant doubt in the company's ability to continue as a going concern. However, the standalone financial of the company have been prepared on a going concern basis for as reason stated on the said note.

Analysis of changes in gross carrying amount and corresponding ECL Allowances in relation to loans is as follows:

PARTICULARS	FY 2022-23			FY 2021-22	
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 3
<b>Gross carrying amount opening balance</b>	-	-	-		-
New assets originated or purchased	-	-	-		-
Assets derecognised or repaid (excluding write-offs)	-	-	-		-
Transfers to Stage 1	-	-	-		-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
<b>Gross carrying amount closing balance</b>	-	-	-	-	-

#### Reconciliation of ECL Balance

PARTICULARS	FY 2022-23			FY 2021-22	
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 3
<b>Gross carrying amount opening balance</b>	-	-	-	-	
New NPA Created during the year		-	-	-	-
Assets derecognised or repaid (excluding write-offs)	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
<b>Gross carrying amount closing balance</b>	-	-	-	-	-

#### Reconciliation of ECL Balance

PARTICULARS	FY 2022-23			FY 2021-22	
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 3
<b>Gross carrying amount opening balance</b>	-	-	-	-	
New NPA Created during the year	-	-	-	-	-
Assets derecognised or repaid (excluding write-offs)	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
<b>Gross carrying amount closing balance</b>	-	-	-	-	-

#### Note 6

Current Assets	31-Mar-23	31-Mar-22
TDS Receivable	1.71	1.71
Advance to Others	0.24	0.24
<b>Total</b>	<b>1.95</b>	<b>1.95</b>

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CIN: L51900MH1987PLC042092

(All amounts are in INR in lakhs, unless otherwise stated)

**NOTES****Forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2023****Note 7**

Property, Plant and Equipment	Computers & Printer	Computers & Printer	Total
<b>Cost:</b>			
At 01-Apr-2021	8.24	8.24	8.24
Additions / Disposals during the year	-	-	-
At 31-Mar-2022	8.24	8.24	8.24
Additions / Disposals during the year	-	-	-
Write offs during the year	-	-	-
At 31-Mar-2023	8.24	8.24	8.24
<b>Accumulated Depreciation:</b>			
At 01-Apr-2021	7.82	7.82	7.82
Additions / Disposals during the year	-	-	-
At 31-Mar-2022	7.82	7.82	7.82
Additions / Disposals during the year	-	-	-
Write offs during the year	-	-	-
At 31-Mar-2023	7.82	7.82	7.82
<b>Carrying Amount:</b>			
At 31-Mar-2021	0.41	0.41	0.41
At 31-Mar-2022	0.41	0.41	0.41
At 31-Mar-2023	0.41	0.41	0.41

**Note 8**

Intangible Assets	Computers & Printer	Computers & Printer	Total
<b>Cost:</b>			
At 01-Apr-2021	3.15	3.15	3.15
Additions / Disposals during the year	-	-	-
At 31-Mar-2022	3.15	3.15	6.29
Additions / Disposals during the year	-	-	-
Write offs during the year	-	-	-
At 31-Mar-2023	3.15	3.15	6.29
<b>Accumulated Depreciation:</b>			
At 01-Apr-2021	2.99	2.99	2.99
Additions / Disposals during the year	-	-	-
At 31-Mar-2022	2.99	2.99	2.99
Additions / Disposals during the year	-	-	-
Write offs during the year	-	-	-
At 31-Mar-2023	2.99	2.99	2.99
<b>Carrying Amount:</b>			
At 31-Mar-2021	0.16	0.16	0.31
At 31-Mar-2022	0.16	0.16	0.31
At 31-Mar-2023	0.16	0.16	0.31

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**NOTES****Forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2023****Note 9**

<b>Trade Payables</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Trade Payables	7.95	8.29
<b>Total</b>	<b>7.95</b>	<b>8.29</b>

**Trade Payables ageing schedule: As at 31<sup>st</sup> March, 2023**

<b>Particulars</b>	<b>Outstanding for following periods from due date of Payment</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
(i) MSME	1.23	-	-	-	1.23
(ii) Others	-	-	2.11	4.61	6.72
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1.23</b>	<b>-</b>	<b>2.11</b>	<b>4.61</b>	<b>7.95</b>

**Trade Payables ageing schedule: As at 31<sup>st</sup> March, 2022**

<b>Particulars</b>	<b>Outstanding for following periods from due date of Payment</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
(i) MSME	1.38	-	-	-	1.39
(ii) Others	-	0.19	4.36	2.36	6.91
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>1.38</b>	<b>0.19</b>	<b>4.36</b>	<b>2.36</b>	<b>8.29</b>

**Note:**

Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. It is informed by the management no provision has been made for interest as required by Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 on amounts due to Small Scale Industries, as none of the outstanding as on date are of the entity listed in MSME.

**Note 10**

<b>Short-Term Borrowings</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
From Related Parties	-	-
Directors	9.02	13.48
<b>Total</b>	<b>9.02</b>	<b>13.48</b>

## Note 11

Other Financial Liabilities	31-Mar-23	31-Mar-22
Salary Payable	1.88	1.63
TDS Payable	0.58	0.18
Other Outstanding Expenses	0.04	0.04
<b>Total</b>	<b>2.49</b>	<b>1.85</b>

## Note 12

Long-term Provisions	31-Mar-23	31-Mar-22
Provision for Taxation	-	-
Provision for Expenses	0.98	0.23
<b>Total</b>	<b>0.98</b>	<b>0.23</b>

## Note 13

Deferred Tax Liabilities-Net	31-Mar-23	31-Mar-22
Opening Deferred Tax	7.59	0.15
Add: During the Year	-7.52	7.44
<b>Total</b>	<b>0.07</b>	<b>7.59</b>

## Note 14

## Other Non-Financial Liabilities

Long-term Borrowings	31-Mar-23	31-Mar-22
Security Deposit Received	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Note 15

SHARE CAPITAL	AS at 31-Mar-23	As at 31-Mar-22
<b>Authorised</b>		
1,35,00,000 (March 31, 2019: 1,35,00,000; April 01, 2018: 1,35,00,000) Equity Shares of ₹10/- each	1,350	1,350
<b>Issued, Subscribed and Paid-up</b>		
1,35,00,000 (March 31, 2019: 1,35,00,000; April 01, 2018: 1,35,00,000) Equity Shares of ₹10/- each	1,350	1,350
<b>Total</b>	<b>1,350</b>	<b>1,350</b>

## (a) Reconciliation of Shares at the Beginning and at the End of the reporting period

Equity shares of ₹10/- each issued, subscribed and fully paid

Particulars	No. of Shares	No. of Shares
<b>As at April 01, 2021</b>	<b>1,35,00,000</b>	<b>1,35,00,000</b>
Issued during the year	-	-
<b>As at March 31, 2022</b>	<b>1,35,00,000</b>	<b>1,35,00,000</b>
Issued during the year	-	-
<b>As at March 31, 2023</b>	<b>1,35,00,000</b>	<b>1,35,00,000</b>

## (b) Shares held by each Shareholder holding more than 5% of the Paid-up Capital

Particulars	31-Mar-23		31-Mar-22	
	No. of Shares	% of holding	No. of Shares	% of holding
Arvind Mulji Kariya	23,87,500	17.69%	23,87,500	17.69%
Jegna Arvind Kariya	22,00,500	16.30%	22,00,500	16.30%
Paresh Mulji Kariya	20,97,500	15.54%	20,97,500	15.54%
Sadhana Paresh Kariya	23,50,500	17.41%	23,50,500	17.41%

Shares held by Promoters at the end of years 2023			
Promoter Name	No. of Shares **	% of Total Shares **	% Change during the year ***
Sadhana Paresh Kariya	23,50,500	17.41%	0.00%
Paresh Mulji Kariya	20,97,500	15.54%	0.00%
Anugrah Stock & Broking Pvt. Ltd.	4,60,000	3.41%	0.00%
<b>Total</b>	<b>49,08,000</b>	<b>36.36%</b>	<b>0.00%</b>

Shares held by Promoters at the end of years 2022			
Promoter Name	No. of Shares **	% of Total Shares **	% Change during the year ***
Sadhana Paresh Kariya	23,50,500	17.41%	0.00%
Paresh Mulji Kariya	20,97,500	15.54%	0.00%
Anugrah Stock & Broking Pvt. Ltd.	4,60,000	3.41%	0.00%
<b>Total</b>	<b>49,08,000</b>	<b>36.36%</b>	<b>0.00%</b>

## Note 16

OTHER EQUITY	AS at 31-Mar-23	As at 31-Mar-22
<b>Statutory Reserve as per Section 45 IC of RBI Act, 1934</b>		
<b>A) At 01-Apr-2021</b>		
Add: Transfer from surplus balance in the Statement of Profit and Loss		
<b>At 31-March-2022</b>		
Add: Transfer from surplus balance in the Statement of Profit and Loss		
<b>At 31-March-2023</b>		
<b>B) General Reserve</b>		
At 01-Apr-2021	5.65	5.65
Add: Transfer from surplus balance in the Statement of Profit and Loss	-	-
<b>At 31-March-2022</b>	<b>5.65</b>	<b>5.65</b>
Add: Transfer from surplus balance in the Statement of Profit and Loss	-	-
<b>At 31-March-2023</b>	<b>5.65</b>	<b>5.65</b>
<b>C) Profit and Loss Account</b>		
<b>At 31-March-2021</b>	<b>-1,073.47</b>	<b>207.40</b>
Add: Transfer from surplus balance in the Statement of Profit and Loss	-7.49	-74.59
Less: Transfer to Statutory Reserve	-	-
Less: Provision for Doubtful Assets Period 1-2 Years	-	-
<b>At 31-March-2022</b>	<b>-1,080.96</b>	<b>-1,073.47</b>
Add: Transfer from surplus balance in the Statement of Profit and Loss	-	-
Less: Transfer to Statutory Reserve	-	-
Less: Provision for Doubtful Assets Period 1-2 Years	-	-
<b>At 31-March-2023</b>	<b>-1,080.96</b>	<b>-1,073.47</b>
<b>Total (A + B + C)</b>	<b>-1,075.31</b>	<b>-1,067.82</b>

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**NOTES****Forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2023****Note 16**

<b>Revenue From Operation</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Other Operating Revenue		
Interest On Loan	-	17.52
Less: Interest Income Reversed	-	-
<b>Total</b>	<b>-</b>	<b>17.52</b>

**Note 17**

<b>Other Income</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Interest on Refund of IT	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 18**

<b>Employee Benefit</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Directors Remuneration	-	-
Salaries to Employees	4.20	2.83
<b>Total</b>	<b>4.20</b>	<b>2.83</b>

**Note 19**

<b>Finance Cost</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Bank Charges	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 20**

<b>Other Expenses</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Listing & Annual Fees	5.04	5.12
Membership & Subscription	0.12	-
Legal and Professional Charges	2.00	3.39
Auditor's Fees	1.17	1.38
Internal Audit Fees	0.20	-
RTA Charges	0.66	-
Directors Sitting Fees	0.94	-
Advertisement Charges	0.18	0.23
ROC Filing fees	0.07	0.57
Website Charges	0.06	-
Office Expenses	0.34	0.20
Professional Taxes-Company	0.03	0.03
Prior Year Interest Recognised now Reversed	-	68.39
Current Year Interest Recognised now Reversed	-	17.52
<b>Total</b>	<b>10.81</b>	<b>96.84</b>



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**Notes to Financial Statements for the period ended 31<sup>st</sup> March 2023****22. Earnings Per Share (EPS)**

Basic EPS amounts are calculated by dividing the profit/(loss) for the period attributable to equity holders by the weighted average number of equity shares outstanding during the Period.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

<b>PARTICULARS</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Profit / (Loss) attributable to Equity shareholders (in Rs.)	-7.49	-74.59
Weighted average number of Equity shareholders for basic and diluted EPS	135.00	135.00
<b>Basic and Diluted earnings per share (in Rs.)</b>	<b>-0.06</b>	<b>-0.55</b>

**23. Related Party Transactions**

Name of related parties and description of relationship with whom transactions have taken place during period ended 31<sup>st</sup> March 2023

**1. Associates / Enterprises where control / Significant Influence exists:**

Rruchi Food Plaza Private Limited

**2. Relatives of Key Managerial Personnel**

Arvind Mulji Kariya (HUF), Director is Karta

**3. Key Managerial Personnel**

Mr. Arvind Mulji Kariya, Whole Time Director and CFO

Mrs. Ankita Gupta, Company Secretary and Compliance Officer

Mrs. Jegna Arvind Kariya, Director

Mr. Kapil Purohit, Independent Director

Mrs. Deepa Jayramdas Lakhwani, Independent Director

Mrs. Heena Gurmukhdas Kukreja, Independent Director

**Details of Transactions with related parties:**

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
1	<b>Rupee Term Loan Taken</b> Arvind Mulji Kariya	11.56	13.48
2	<b>Rupee Term Loan Repaid</b> Arvind Mulji Kariya	16.02	-
3	<b>Salary Paid</b> Mrs. Ankita Gupta, Company Secretary and Compliance Officer	4.20	2.83
4	<b>Director Seeting Fees</b> Mr. Kapil Purohit Mrs. Deepa Jayramdas Lakhwani Mrs. Heena Gurmukhdas Kukreja	0.31 0.31 0.31	- - -

**Details of Closing Balances of related parties**

Sr. No.	Particulars	As at 31 March 2023	As at 31 March 2022
	<b>Closing Balance</b>		
1	<b>Rupee Term Loan Taken</b> Arvind Mulji Kariya	9.02	13.48
2	<b>Other Payables</b> Mrs. Ankita Gupta Mr. Kapil Purohit Mrs. Deepa Jayramdas Lakhwani Mrs. Heena Gurmukhdas Kukreja	1.30 0.13 0.25 0.25	0.70 - - -
3	<b>Investments</b> Rruchi Food Plaza Private Limited	285.12	285.12

**Note:** Related party relationships as per Ind AS 24 have been identified by the management had relied upon by the auditors. All the transactions are carried at arm's length price

Closing Balances are presented net of taxes.

**Terms and conditions of transactions with related parties**

The transactions with related parties are in the ordinary course of business and are on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the Period-end are unsecured and settlement occurs in cash. For the period ended 31<sup>st</sup> March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

**24. Segment information**

The Company is engaged into one reportable business segment. No other operating segment has been aggregated to form the above reportable operating

segment. The Company's revenue, result, assets and liabilities are reported to the management for the purpose of resource allocation and assessment of segment performance.

**25. Details of micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

The Company did not have any transactions with Small Scale Industrial ('SME's') Undertakings during the year ended March 31, 2023 and hence there are no amounts due to such undertakings. The identification of SME's undertakings is based on the management's knowledge of their status.

The Company has not received any information from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to no amount unpaid as at the year ended together with interest paid / payable as required under the said Act have not been furnished.

**Capital Commitments**

**26. There are no capital commitments outstanding as at 31<sup>st</sup> March 2023.**

Particulars	Amt. pending to be paid
	-
<b>Total</b>	-

**27. There are no contingent liabilities as at 31<sup>st</sup> March 2023**

**28. Employee Benefits - Retirement benefits**

**(a) Defined Contribution Plan:**

Amount of Rs. NIL (31<sup>st</sup> March 2022 : Rs. NIL) is recognised as an expense because company is having one employee and continue service is less than 5 years - 'Employee Benefit Expenses' in the statement of profit and loss.

**29. Financial instruments - fair value measurements**

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular the valuation techniques and inputs used).

**Fair value hierarchy**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Particulars	Level	Fair Value
Derivative Asset at FVOCI	Level 2	
Derivative Liability at FVOCI	Level 2	
Key inputs for Level 2 fair valuation technique	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	
Significant unobservable input	Not Applicable	
Relationship of unobservable input to fair value	Not Applicable	

**(a) Categories of Financial Instruments**

Particulars	Carrying Value	Fair Value
	As at 31 March 2023	As at 31 March 2022
<b>Financial Assets</b>		
Measured at amortised cost		
Trade Receivables	-	-
Investments	285.12	285.12
Other Financial Assets	-	-
Cash and Cash Equivalents	7.56	25.98
<b>Total</b>	<b>292.68</b>	<b>311.10</b>
<b>Financial Liabilities</b>		
Measured at fair value through profit or loss		
Measured at amortised cost		
Borrowings	9.02	13.48
Trade Payables	7.95	8.29
Other Financial Liabilities	2.49	1.85
<b>Total</b>	<b>19.46</b>	<b>23.62</b>

The Company has assessed that trade receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short term nature of the instruments. Long term Borrowings are evaluated based on parameters such as interest rate and risk characteristic of financial project. Based on the evaluation, no impact has been identified.

**30. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise of borrowings, trade payables, other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, other financial assets and cash and cash equivalents that arise directly from its operations.

The Company's activities expose it to market risk, liquidity risk, credit risk and interest rate risk.

**(A) Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments and deposits, payables and borrowings.

The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The sources of risks which the Company is exposed to and their management is given below:

<b>Risk</b>	<b>Exposure Arising from</b>	<b>Measurement</b>	<b>Management</b>
Interest Rate Risk	Long Term borrowings at variable rates	Sensitivity analysis, interest rate movements	Interest rate swaps and loan takeover for long term borrowings diversification
Credit Risk	Trade receivables, derivative financial instruments	Ageing analysis, credit rating	Credit monitoring, credit limit and credit worthiness monitoring of the counter parties
Liquidity Risk	Borrowings and other financial liabilities	Rolling Cash flow forecasts	Borrowing facilities diversification

**Details relating to the risks are provided here below:**

**(i) Foreign currency risk**

Foreign exchange risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in

foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to import of modules, wherever required.

The Company regularly evaluates exchange rate exposure arising from foreign currency transactions. The Company follows the established risk management policies. It uses derivative instruments like forward covers/swap to hedge exposure to foreign currency risk.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the foreign currency exposure. The details of the foreign currency exposure and its carrying value are as follows:

Outstanding Foreign Currency Exposure	As at 31 March 2023	
	USD	Rs. in Lakhs
Supplier's Credit	-	-
Interest on Supplier's Credit	-	-

### Foreign Currency Sensitivity Analysis

1% increase in foreign exchange rates will decrease profit before tax and decrease pre tax equity by Rs. xxx Lakhs (31<sup>st</sup> March 2022: Rs. xxx Lakhs). If the rate is decreased by 1%, the profit before tax and pre tax equity will increase by an equal amount.

### Foreign currency sensitivity analysis

Outstanding Foreign Currency Exposure	As at 31 March 2023		As at 31 March 2022	
	Impact on statement of profit and loss	Impact on Equity	Impact on statement of profit and loss	Impact on Equity
1% decrease in Rs.	-	-	-	-
1% increase in Rs.	-	-	-	-



**(A) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's borrowings with floating interest rates. Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

**Interest rate sensitivity analysis for 1% change in rate**

Effect on profit before tax	Rate Impact	Loan Outstanding	Amount
31 March 2023	1%	-	-

**(B) Credit Risk**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing / investing activities, including deposits with banks and foreign exchange transactions.

The carrying amount of financial assets represents the maximum credit risk exposure.

**a. Trade Receivables**

The Company has already evaluated the credit worthiness of its customers and did not find any credit risk related to trade receivables. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss

experience to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Total trade receivables as on 31<sup>st</sup> March 2023 is NIL.

**b. Cash and Cash Equivalents and Bank Deposits**

Credit Risk on Cash and Cash Equivalents, Deposits, is generally low as the Company has transacted with reputed banks.

**(C) Liquidity Risk**

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The management is responsible for managing liquidity, funding as well as settlement. Further the management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details of financial liabilities further, based on contractual undiscounted payments.

As at 31 March 2023	Upto 1 year	1 to 3 years	3 to 5 years	Above 5 years	Total
Borrowings*	9.02	-	-	-	9.02
Trade Payables	7.95	-	-	-	7.95
Other Financial Liabilities	2.49	-	-	-	2.49
<b>Total</b>	<b>19.46</b>	-	-	-	<b>19.46</b>

\*The maturity profile of borrowings is as per the actual cash flows.

**(D) Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide maximum returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves attributable to the equity holders.

The Company monitors capital using debt to equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loan and borrowings, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at 31 March 2023
Borrowings	9.02
Less: Cash and Cash Equivalents	-7.56
<b>Net Debt</b>	<b>1.46</b>
Equity	1,350.00
<b>Gearing Ratio</b>	<b>0.00</b>

In addition, the Company has financial covenants relating to the borrowing facilities taken from the lenders like debt service coverage ratio, assets coverage ratio, debt-equity ratio and total outstanding liability to net worth ratio which are required to be maintained by the Company as per the terms and considerations of the loan agreement.

**31. Key Ratios**

Particulars	Numerator	Denominator	Unit	31 March 2023	31 March 2022	% Change#
Current Ratio	Current Assets	Current Liabilities	Times	0.49	1.18	-58.68%
Debt Equity Ratio	Total Debt	Shareholder's Equity	Times	0.03	0.05	-31.25%
Debt Service Coverage Ratio	Profit After Tax + Depreciation + Finance Cost - Unrealised Gain on Investment + Deferred Tax + loss on sale of fixed assets	Total actual Interest + Principle Repayment of Long Term Borrowing + Principle Lease Payment	Times	NA	NA	Not Applicable
Return on Equity Ratio	Profit After Tax	Shareholder's Equity Average	Times	-0.03	-0.34	-92%
Inventory Turnover Ratio	Cost of Good Sold	Inventories Average	Times	NA	NA	Not Applicable
Trade Receivables Turnover Ratio	Revenue from Operations	Trade Receivables (Average)	Times	NA	NA	Not Applicable
Trade Payables Turnover Ratio	Direct Expenses	Trade Payables (Average)	Times	NA	NA	Not Applicable
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	Times	-	4.07	-100.00%
Net Profit Ratio	Profit After Tax	Revenue from Operations	%	-	-4.26	-100.00%
Return on Capital Employed	Earning Before Interest and Taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	%	-0.03	-0.26	-89.68%
Return on Investment	Interest Income	Investment	%	-0.01	-0.06	-89.96%

Due to Current year company not having any turnover and decrease in loss during the year.

**32. Other statutory information**

- a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) As per the information and explanations to us The Company do not have any transactions with companies struck off.
- c) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial Period.

- d) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the Period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- e) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- f) The Company does not have any Intangible Assets, thus, disclosures relating to revaluation of Intangible Assets is not applicable.
- g) The Company has not revalued its property, Plant and Equipment (including Right of use Assets), thus valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- h) The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- i) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party (ultimate beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The accompanying notes are an integral part of these standalone financial statements.

## 1. Corporate Information

Polytex India Limited. ('the Company') is a company limited by shares, incorporated on 05<sup>th</sup> January 1987 and domiciled in India. The Company is mainly engaged in the business of lending.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 30<sup>th</sup> May 2022, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

## 2. Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company.

- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Company uses accrual basis of accounting except in case of significant uncertainties.

The standalone financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not been affected the going concern assumption of the Company.

### **2.1. Presentation of financial statements**

The Company presents its Balance Sheet in order of liquidity.

The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 ‘Statement of Cash Flows’.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

### **Critical accounting estimates and judgments**

The preparation of the Company’s financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those based



on Management's estimates. Accounting estimates and judgments are used in various line items in the financial statements.

## 2.2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (I) Income:-

#### (a) Interest income

The Company recognises interest income using effective interest rate (EIR) on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments / receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non -payment of contractual cashflows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

**(b) Dividend Income**

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**(c) Other revenue from operations**

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at the fair value of the consideration received or receivable.

**1. Fees and Commission Income**

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery. Bounce charges levied on customers for non-payment of instalment on the contractual date is recognised on realisation.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Distribution income is earned by distribution of services and products of other entities under distribution arrangements. The income so earned is recognised

on successful distribution on behalf of other entities subject to there being no significant uncertainty of its recovery.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

## **2. Net gain on fair value changes**

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

## **3. Sale of Service**

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets for a fee is retained, recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the Statement of Profit and Loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognised as service income and any decrease is recognised as an expense in the period in which it occurs. The embedded interest component in the service asset is recognised as interest income in line with Ind AS 109 'Financial instruments'.

## **4. Other operating income**

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

**(d) Taxes**

Incomes are recognised net of the goods and services tax, wherever applicable. Company not having GST no because company is NBFC and only having interest Income.

**(II) Expenditures:-****(a) Finance Costs**

Company not having any Borrowing costs on financial liabilities.

**Fees and commission expense**

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

**(b) Other Expenses**

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

**(III) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(IV) Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another

entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

**(a) Financial Assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

**Initial Measurement**

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless proved to the contrary.

**Subsequent Measurement**

For the purpose of subsequent measurement, financial assets are classified into four categories as per the Company's Board approved policy:

- (i) Debt instruments at amortised cost
- (ii) Debt instruments at FVOCI
- (iii) Debt instruments at FVTPL
- (iv) Equity instruments designated under FVOCI

**(i) Debt instruments at amortised cost**

The Company measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio, and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and/or infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). For further details, refer note no. 2.2(I)(a). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

**(ii) Debt instruments at FVOCI**

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as long-term investments in Government securities to meet regulatory liquid asset requirement of the Company's deposit program are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from other comprehensive income to profit or loss.

**(iii) Debt instruments at FVTPL**

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in

Statement of Profit and Loss, according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

The Company's investments into mutual funds, Government securities (trading portfolio) and certificate of deposits for trading and short-term cash flow management have been classified under this category.

**(iv) Equity investments designated under FVOCI**

All equity investments in scope of Ind AS 109 'Financial instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

**Derecognition of financial assets**

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition) and



- the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Company on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and/or infrequent transaction of sale of portfolio which doesn't affect the business model of the Company.

#### **Reclassification of financial assets**

The Company changes classification of its financial assets only on account of changes in its business model for managing those financial assets. Such reclassifications are given prospective impact as per the principles laid down in Ind AS 109 'Financial Instruments.'

#### **Impairment of financial assets**

ECL are recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments as per the Board approved policy.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' for which a 12 months ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment allowances) are written off in full, when there is no realistic prospect of recovery.

Treatment of the different stages of financial assets and the methodology of determination of ECL

**(a) Credit impaired (stage 3)**

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation of period, typically 12 months- post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the effective interest rate to the net amortised cost amount i.e., gross carrying amount less ECL allowance.

**(b) Significant increase in credit risk (stage 2)**

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioural trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

**(c) Without significant increase in credit risk since initial recognition (stage1)**

ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behavioural score cards and other performance indicators, determined statistically.

**(d) Measurement of ECL**

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the

estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stage of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information as well as assessing changes to its statistical techniques for a granular estimation of ECL.

**(b) Financial liabilities**

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial asset to another entity, or a contract that may or will be settled in the entity's own equity instruments. Few examples of

financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

#### **Initial measurement**

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

#### **Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method [Refer note no 2.2(I)(a)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

#### **Derecognition**

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

#### **(c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### **(v) Investment in subsidiaries**

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair value of

shares granted to employees of subsidiary under a group share based payment arrangement.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

The company has not any subsidiary in the current reporting period.

## **(VI) Taxes**

### **(i) Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **(ii) Deferred Tax**

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the

extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity.

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 the deferred taxes relate to the same taxable entity and the same taxation authority.

## **(VII) Property, plant and equipment**

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, plant and equipment'.

### **Depreciation on property, plant and equipment**

1. Depreciation is provided on a pro rata basis for all tangible assets on written-down methods over the useful life of assets.

2. Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.
3. Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
4. Assets having unit value up to Rs. 5,000 is depreciated fully in the financial year of purchase of asset.
5. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the Statement of Profit and Loss when the asset is derecognised.
6. Currently company have only salvage value of tangible assets and management has decided not to charge depreciation on these assets hence the salvage value of tangible assets shown on the face of the balance sheets.
7. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(VIII) Intangible assets and amortisation thereof**

Intangible assets, representing software's are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The company has computer software and it depreciated as per written down methods. Currently company has salvage value of these assets



hence management is decided not to charge depreciation on these assets and salvage value of the assets are shown on the face of the Balance sheet.

**(IX) Impairment of non-financial assets**

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

**(X) Provisions and contingent liabilities**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(XI) Foreign currency translation Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Non- monetary items, which are measured in

terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### **Exchange differences**

All exchange differences are accounted in the Statement of Profit and Loss.

### **(XII) Segment Reporting:**

The company operates mainly in the business of lending finance, accordingly there are no separate reportable segment as per Ind-AS 108-Operating Segment.

### **(XIII) Retirement and other employee benefits**

#### **(i) Gratuity**

Payment for present liability of future payment of gratuity no provision created due to there is no employee in the company he is completed 5 years.

#### **(ii) Superannuation**

The company has not made any defined contribution to superannuation fund.

#### **(iii) Provident Fund**

The company has not provided provident funds to its employees.

#### **(iv) Compensated Absences**

At Privilege leave entitlements are recognised as a liability as per the rules of the Company. The liability for accumulated leaves which can be availed and/or encashed at any time during the tenure of employment. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date. But company not having any employee who is having accumulated leaves.

**(XIV) Employee Stock Option Scheme**

The Company has not provided employee stock options to its employees.

**(XV) Leases**

The Company has not any leases hence Ind AS 116 is not applicable to the company.

**Measurement of Lease Liability**

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is -

- i. increased by interest on lease liability;
- ii. reduced by lease payments made; and
- iii. remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

**Measurement of Right-of-use assets**

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

The exception permitted in Ind AS 116 for low value assets and short-term leases has been adopted by Company.

**(XVI) Fair value measurement**

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.