

POLYTEX INDIA LIMITED

401, 4th Floor, Nisarg Apartment, Besant Road, Vile Parle (W), Mumbai – 400056
Tel.: 91-022-67147824/827 • Fax No : 91-022-67804776 • Website : www.polytexindia.com •
Email : polytexindia@gmail.com, CIN : L51900MH1987PLC042092

To,

Date: 06.09.2021

BSE Limited

Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

Script: 512481/Script ID: POLYTEX

Sub: Submission of Annual Report of the Company for the Financial Year 2020-21 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Dear Sir/ Madam,

The 35th Annual General Meeting ("AGM") of the Company will be held on Thursday, 30th September, 2021 at 03.00 PM IST through Video Conferencing ("VC")/Other Audio Visual Means.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2020-21 which is being sent through electronic mode to the Members.

The Annual Report containing the Notice is also uploaded on the Company's website www.polytexindia.com

Kindly take the same on record.

Thanking You,
Yours faithfully,
For Polytex India Limited

Arvind Mulji Kariya

Arvind Mulji Kariya
Director
DIN: 00216112



POLYTEX INDIA LTD

35TH ANNUAL REPORT 2020-2021

REGISTERED OFFICE

401, 4th Floor, Nisarg Apartment,
Besant Road, Vile Parle (West),
Mumbai – 400056
Tel No.: 022-6714 7827

BOARD OF DIRECTORS & KMP

Mr. Paresh Mulji Kariya : Whole Time Director
Mr. Arvind Mulji Kariya : Whole Time Director and CFO
Mr. Nitin Khimji Kariya : Independent Director
Mrs. Priti Sagar : Independent Director
Mr. Sachchidanand Rajaram Adam : Independent Director
Mrs. Ankita Gupta : Company Secretary and Compliance Officer (w.e.f. 13.08.2021)
Mr. Avinash Pratap : Company Secretary and Compliance Officer (resigned on
15.10.2020)

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

Email:

polytexindia@gmail.com

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NOTICE

NOTICE is hereby given that the 35th Annual General Meeting (AGM) of the members of Polytex India Ltd will be held on Thursday, 30th September, 2021 at 03.00 PM IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2021 and the report of the Board of Directors and Auditors thereon.
2. 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. 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 34th Annual General Meeting of the Company held on 30th 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 36th 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/-
Arvind Mulji Kariya
Director
DIN: 00216112

REGISTERED OFFICE :

401, 4th Floor, Nisarg Apartment,
Besant Road, Vile Parle (West),
Mumbai – 400 056.

Date: 13.08.2021

NOTES :

1. In view of the continuing Covid-19 pandemic and social distancing norm, the Ministry of Corporate Affairs ("MCA") has vide its circular dated April 8, 2020 and April 13, 2020, May 5, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, Dated January 15, 2021 (referred to as "SEBI Circular") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.
2. The Deemed Venue of the 35th 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 rikitashahcs@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 35th AGM".
6. Register of Members and the Share transfer books of the Company will remain closed from Friday, 24th September, 2021 to Thursday 30th September, 2021 (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 and in the Explanatory Statements are requested to write to the Company on or before Saturday, 25th September, 2021, 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 2020-21 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 2020-21 will also be available on the Company's website www.polytexindia.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL at 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 or to the RTA at 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 or rnt.helpdesk@linkintime.co.in. If you are an Individual shareholder 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 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 General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the "EVEN 117144" 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 30 (thirty) 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 or use toll free No.: 1800 1020 990 and 1800 22 44 30
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. 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 :

21. 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 Thursday 23rd September, 2021 (9:00 A.M. IST) to Saturday, 25th September, 2021 (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 RELATING

TO LOGIN THROUGH DEPOSITORIES
i.e. NSDL AND CDSL

29. Contact Details

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

VOTING THROUGH ELECTRONIC MEANS

22. 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.
23. The Company has appointed Rikita Shah, (Membership No.53788, COP No. 20849), Practising Company Secretary as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
24. 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.

25. 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 Thursday, 23rd September, 2021.
26. Any person, 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, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote E-voting then he/she can use his/her existing User ID and password

for casting the 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.

27. 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.
28. 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> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in In case of any grievances connected with facility for E-voting, please contact Mr. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Email: evoting@nsdl.co.in , on toll free no.: 1800 1020 990 and 1800 22 44 30
29. 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.
30. Any person holding shares in physical form 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. 23/09/2021, may obtain the login ID and password by sending a request at 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 or call on toll free no. 1800 1020 990 and 1800 22 44 30 . 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. 23/09/2021 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 :-

31. The remote e-voting period begins on Monday 27th September,2021 (at 9:00 A.M. IST) till Wednesday 29th September, 2021 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 Thursday 23rd September, 2021, may cast their vote electronically.
32. 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"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider 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 & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number 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 & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. 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?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

<https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.

- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, 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.nsd.com/> with your existing IDEAS login. Once

you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the

attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **"Physical User Reset Password?"** (If you are holding shares in

physical mode) option available on www.evoting.nsdl.com.

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

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

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

1. After successful login at Step 1, you will be able to see all the companies " " in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN 117144" 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

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.

OTHER INSTRUCTIONS

33. 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.

34. The result declared along with the Scrutinizer's Report shall be placed on the Company's website at

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):

Name of the Director	Arivnd Mulji Kariya
DIN	00216112
Date of Birth (Age)	23-04-1965, 56 years
Nationality	INDIAN
Qualification	Commerce Graduate
Experience / Expertise	He has more than 22 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. Dream Heritage Private Limited 3. Rapid Credits And Mercantiles Private Limited 4. Anugrah Holidays Private Limited 5. Wagad Fincap Limited 6. 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	Brother of Mr. Paresh Mulji Kariya, whole time Director of the Company

By orders of the Board of Directors
For Polytex India Limited

Sd/-
Arvind Mulji Kariya
Director
DIN: 00216112

Date: 13.08.2021

REGISTERED OFFICE:

401, 4th Floor, Nisarg Apartment, Besant Road, Vile Parle (West), Mumbai – 400 056.

Directors' Report

To,
The Members
Polytex India Limited
Mumbai.

Your Directors have pleasure in presenting their 35th Annual Report with the Audited Accounts for the year ended 31st March, 2021.

1. Financial Results

During the year under review, the Company has earned total income of Rs. 1,08,01,633/- (PY Rs. 75,50,679/-) and earned a profit of Rs. 38,79,500/- (PY Rs. 5,65,694/-)

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

(Amount in lakhs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Profit Before Depreciation and Tax	52.67	6.79
Depreciation	-	-
Profit before Tax	52.67	6.79
Provision for Tax	-14.99	-1.58
Deferred Tax	1.11	-0.03
Previous Years Adjustments	-	0.47
Profit After Tax	38.80	5.66
Transferred to General Reserve	-	-
Surplus in the Statement of P & L Account	38.80	5.66

*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, 2021.

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 material changes and commitments 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 this Report. In view of recent surge in Covid-19 cases few states re-enforced lockdown like restrictions for a short period which currently is not expected to have any significant impact on company's operations/ results. The company continues to remain vigilant and cautious in this regard.

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 subsection (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.

9. Number of meeting of Board of Directors

The Board of Directors of the Company met Four (4) times during year 2020-21 on 27.06.2020, 28.08.2020, 13.11.2020 and 12.02.2021. 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, 2021 the Independent Director held a separate meeting on 12.02.2021 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.

Mr. Avinash Pratap had resigned as a Company Secretary and Compliance Officer of the Company w.e.f 15.10.2020.

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:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) Appropriate accounting policies have been selected and applied consistently and have 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 March 31, 2021 and of the profit and loss of the Company for the year ended March 31, 2021,
- c) Proper and sufficient care has been taken 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;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively,
- f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems

were adequate and operating effectively.

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 31.03.2021, the NRC comprises of the following members:

Mr. Nitin Khimji Kariya –
Chairperson

Ms. Priti Rameshbhai Sagar –
Member

Mr. Sachindanand Rajaram Adam –
Member

During the year, the committee met four times in the year on 27.06.2020, 28.08.2020, 13.11.2020 and 12.02.2021 all Committee members had attended all the meeting.

15. Stakeholders Relationship Committees

As on 31.03.2021, the Company has Stakeholders Relationship Committee comprising of the following three Non-Executive and Independent Directors:

Mr. Nitin Khimji Kariya –
Chairperson

Ms. Priti Rameshbhai Sagar –
Member

Mr. Sachindanand Rajaram Adam –
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 four times in the year on 27.06.2020, 28.08.2020, 13.11.2020 and 12.02.2021 all Committee members had attended all the meeting.

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 30th 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

The Auditor's Report on the Audited Financial Statement of the Company for the year ended 31st March, 2021 contained qualifications, reservations, adverse remarks or disclaimers as under:

Qualification : Attention is invited that the management has not made Provision for Gratuity as per Indian Accounting Standard (Ind AS) 19 – Employee Benefits requires the provisioning of retirement benefits based on actuarial valuation of retirement benefits and additional disclosures as required in terms of Ind AS-19.

Explanation : Company is in the process to be complied in this regards in future of year.

18. 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.

19. Secretarial Auditors

M/s. Rikita Shah & Associates was appointed to conduct the Secretarial Audit

of the Company for FY 2020-21, as required under section 204 of the Companies Act, 2013 and rules thereunder. The secretarial audit report for FY 2020-21 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 and most of the Compliances are done after 31st March, 2021 and the remaining are in the process of being complied. Due to some technical error, website could not be updated as on 31st March, 2021

20. Audit Committee

As on 31.03.2021, the Company has an Audit Committee comprising of the following three Non-Executive and Independent Directors:

Mr. Nitin Khimji Kariya Chairperson	-
Ms. Priti Rameshbhai Sagar Member	-
Mr. Sachindanand Rajaram Adam Member	-

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.

During the year, the committee met 4 times in the year on 27.06.2020, 28.08.2020, 13.11.2020 and 12.02.2021 all Committee members had attended all the meeting.

21. 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.

22. 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 designed 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.

23. 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.

24. 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.

25. 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.

26. 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.

27. 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

28. 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 any Regulator or Court or Tribunal which would impact the going concern status and the company's operation in future.

29. 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.

30. Change in the Nature of Business

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

31. 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

32. 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

33. 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.

34. 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

35. Management Discussion and Analysis Report

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

36. 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:

<p>(A) Conservation of energy:</p> <p>(i)</p>	<p>Steps taken or impact on conservation of energy</p>	<p>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.</p>
<p>(ii)</p>	<p>Steps taken by the company for utilizing alternate sources of energy</p>	<p>The Company is into Service Industry and hence except Electricity, the Company is not required to use any other alternate source of energy.</p>

(iii)	Capital Investment on energy conservation equipment's;	NIL
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(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.

37. 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 2020-21.

38. 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.

For and on behalf of the Board of Directors

Polytex India Limited

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

39. 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.

40. 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 31.03.2021.

41. 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.

Sd/-
Sachchidanand Rajaram Adam
Director
DIN: 07109630

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 arms 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 31st March, 2021, 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	Paresh Mulji Kariya, Director	Paresh Mulji Kariya, Director
(b)	Nature of contracts / arrangements / transactions	Salary	Rent
(c)	Duration of the contracts / arrangements / transactions	5 years	On Going
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment of Remuneration	Payment of rent in respect of property used by the company
(e)	Date(s) of approval by the Board	27.06.2020	27.06.2020
(f)	Amount paid as advances, if any:	NIL	NIL

Annexure II

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

To
The Members
POLYTEX INDIA LTD.
401, 4th 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 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 conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st

March, 2021 generally 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, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - **The Company has failed to file the forms on falling due during the financial year 2020-2021 as required under the Companies Act pertaining to Annual Filing, appointment of Auditor, etc.**
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations
1.	Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.	The Company has not submitted of Reconciliation of Share Capital Audit Report for the quarter ended September 2020.
2.	Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018.	The Company has not submitted compliance certificate under Regulation 74(5) of the SEBI (Depositories and Participants)

		Regulations, 2018 for the quarter ended 30 th September, 2020.
3.	Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.	The Company has not submitted The Reconciliation of Share Capital Audit Report for the quarter ended December 2020.
4.	Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018.	The Company has not submitted compliance certificate under Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 31 st December, 2020.
5.	Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018.	The Company has not submitted compliance certificate under Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 31 st March, 2021.
6.	Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.	The Company has not submitted of Reconciliation of Share Capital Audit Report for the quarter ended March 2021.

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (to the extent applicable)

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations
1.	Regulation 30 and 31 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	The company is not filed disclosure under regulation 30 and 31.

- (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

- (b) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

As per the representations made by the management and relied upon by me, during the period under review, provisions

of the following regulations / guidelines were not applicable to the Company:

- (i) 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; and

The Company has failed to Comply with FEMA Provisions for the said Financial Year

- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the review period]
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the review period]
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the review period]
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and [Not applicable during the review period]
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable during the review period]
- (f) I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations
1.	Regulation 46 of SEBI (LODR) Regulations 2015.	The Company has not hosted information required compliances on website of the company.
2.	Regulation 06 of SEBI (LODR) Regulations 2015.	The Company has not appointed Company Secretary till March 31, 2021.
3.	Regulation 40 (9), (10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Company has not submitted certificate under Reg. 40 (9), (10) of SEBI (LODR) Regulations 2015 for Half Year ended September, 2020.
4.	Regulation 23(9) of SEBI (LODR) Regulations 2015.	The Company has not submitted disclosure under Reg. 23 (9) of SEBI (LODR) Regulations 2015 for Half Year ended September, 2020.
5.	Regulation 7 (3) of SEBI (LODR) Regulations 2015.	The Company has not submitted compliance certificate under Reg. 7 (3) of SEBI (LODR) Regulations 2015 for Half Year ended September, 2020.
6.	Regulation 13 of SEBI (LODR) Regulations 2015.	The company has not submitted the statement on share holder complaints under Regulation 13 of SEBI (LODR) Regulations 2015 for quarter ended December, 2020.

7.	Regulation 27 of SEBI (LODR) Regulations 2015.	The company has not submitted the Corporate Report under Regulation 27 of SEBI (LODR) Regulations 2015 for quarter ended December, 2020.
8.	Regulation 33 of SEBI (LODR) Regulations 2015.	The company has not submitted the Financial Results under Regulation 33 of SEBI (LODR) Regulations 2015 for quarter ended December, 2020.
9.	Regulation 31 of SEBI (LODR) Regulations 2015.	The company has not submitted the Share holding Pattern under Regulation 31 of SEBI (LODR) Regulations 2015 for quarter ended December, 2020.
10.	Regulation 7 (3) of SEBI (LODR) Regulations 2015.	The Company has not submitted compliance certificate under Reg. 7 (3) of SEBI (LODR) Regulations 2015 for Half Year ended March, 2021.
11.	Regulation 40 (9), (10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company has not submitted certificate under Reg. 40 (9), (10) of SEBI (LODR) Regulations 2015 for Half Year ended March, 2021.
12.	Regulation 13 of SEBI (LODR) Regulations 2015.	The company has not submitted the statement on share holder complaints under Regulation 13 of SEBI (LODR) Regulations 2015 for quarter ended March, 2021.
13.	Regulation 31 of SEBI (LODR) Regulations 2015.	The company has not submitted the Share holding Pattern under Regulation 31 of SEBI (LODR) Regulations 2015 for quarter ended March, 2021.
14.	Regulation 23(9)of SEBI (LODR) Regulations 2015.	The Company has not submitted disclosure under Reg.23 (9) of SEBI (LODR) Regulations 2015 for Half Year ended March, 2021.
15.	Regulation 27 of SEBI (LODR) Regulations 2015	The company has not submitted the Corporate Report under Regulation 27 of SEBI (LODR) Regulations 2015 for quarter ended March, 2021.
16.	As per SEBI Circular (SEBI/HO/DDHS/CIR/P/2018/144) dated November 26, 2018	The company has not submitted the Large Corporate disclosure and Annual Disclosure as per SEBI Circular as on 31 st March, 2021.
17.	BSE Circular Reference no. LIST/COMP/01/2019-20, dated April 02, 2019	The company has not submitted the Trading window intimation as on Quarter ended March, 2021.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

**For Rikita Shah
Practicing Company Secretary**

**Sd/-
Proprietor
M No. A53788
CP No.: 20849
UDIN: A053788C000784133**

Date: 13.08.2021

Place: Mumbai

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

ANNEXURE "A"

To
The Members
POLYTEX INDIA LTD.
401, 4th Floor, Nisarg Apartment,
Besant Road, Vile Parle - West,
Mumbai - 400 056.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. I have not carried out the physical verification of any records due to prevailing conditions of COVID- 19 in the country. I have relied on the records as made available by the Company through digital mode as well as I have also relied on the Management representation made by the Company.

For Rikita Shah
Practicing Company Secretary

Sd/-
Proprietor
M No. A53788
CP No.: 20849
UDIN: A053788C000784133

Date: 13.08.2021
Place: Mumbai

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 2020-21.

Mr. Paresh Kariya : 1.21:1

2. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21.

Mr. Paresh Kariya (WTD)

: 0%

Mr. Arvind Kariya (WTD & CFO)

: 0%

*Mr. Avinash Pratap

: N.A.

(Company Secretary)

3. The median remuneration of employees of the Company during the financial year 2020-21 was Rs. 6,60,565/-, there was an increase of 77.43% in the median remuneration of employees;

Remuneration paid to employees excluding managerial personnel for the FY 2019-20	Remuneration paid to employees excluding managerial personnel for the FY 2019-20	% change in remuneration paid to employees excluding managerial personnel	Remuneration paid to managerial personnel for the FY 2019-20	Remuneration paid to managerial personnel for the FY 2020-21	(%) change in remuneration paid to managerial personnel
10,01,325	5,21,129	- 52.04	25,09,033	8,00,000	- 31.88%

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:

The outbreak of the COVID-19 pandemic in March 2020 along with the national lockdown in India disrupted economic activities including demand and supply chain resulting in a significant slowdown of the Indian economy. With the staggered unlocking measures from May/ June 2020 onwards some normalcy started getting restored. The manufacturing sector witnessed a fast recovery from second quarter of 2020-21 coupled with a revival of consumer demands during the festive season. Widespread monsoon with healthy crops and increased rural demand also helped recovery of the Indian economy in the second half of last fiscal. The service sector was more vulnerable than manufacturing. Indian economy as per the second advance estimates is estimated to have contracted at (8%) during 2020-21 compared to a growth of 4% in 2019-20. A sharp surge in the cases during the second wave of Covid-19 since the second week of April 2021 had lead to many state governments announcing strict lockdowns / restrictions on movement etc. and this is affecting the economic activity especially of Micro, Small and Medium Enterprises. Economic impact of the second wave could intensify in the next few weeks due to lower mobility. The overall impact of the second wave on the economy is difficult to assess presently, but it is likely to negatively affect GDP growth in the first quarter. With emergence of strong second wave of Covid-19 pandemic, the Indian economy is now projected to grow at about 10% during fiscal 2021-2022.

2. Industry Overview:

The business of the Company is that of a Non-Banking Finance Company. Non Banking Financial Companies (NBFCs) have become an integral part India's financial system. In recent times, NBFC's have emerged as lenders to both companies and individuals. When it comes to lending,

NBFCs are generally regarded to be complementary to banks and are often able to offer better services and products to their customers. NBFCs play a crucial role in broadening access to financial services, enhancing competition and diversification of the financial sector. Banks and NBFCs compete for similar kinds of business. In spite of strong competition faced by the NBFCs, the inner strength of NBFCs viz. local knowledge, credit appraisal skill, well trained collection machinery, close monitoring of borrowers and personalized attention to each client, are catering to the needs of small and medium enterprises.

3. Outlook on Opportunities, Threats, Risks & Concerns:

With the long term India growth story intact, we continue to remain enthused about the growth prospects of financial services sector in India. However given the inherent linkage of most of our business with the economy and capital markets, our financial performance is subject to fluctuations depending on the pace of economic growth and activity in the capital market.

The last financial year has been year of new initiatives for company. The new financial year will see a lot of our initiatives taking shape and being deployed

Opportunities:

- Induction of widely experienced and specialized personnel on the Board.
- Good combination of technical as well as advisory personnel in the management.

Threats:

- The largely unorganized structure of the market can affect the systematic functioning of the Company
- Likely opening up of the economy, which can be a double-edged sword

Risk and Concerns:

The Company is exposed to specific risks that are particular to its businesses and the environment within which it operates, including capital market volatility, economic cycle and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management policies.

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:-

Performance	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Profit/ (Loss) before Depreciation, Interest & Taxation	52,56,480	678,668
Depreciation	NIL	NIL
Interest	NIL	NIL
Profit / (Loss) before Tax	52,56,480	6,78,668
Profit after Tax	37,57,980	565,694
Proposed Dividend	NIL	NIL
Interim Dividend	NIL	NIL
Dividend Tax	NIL	NIL
Transfer to General Reserve	NIL	NIL
Balance b/f from last year	1,68,60,602	1,62,94,208
Balance c/f to Balance Sheet	2,06,18,582	1,68,60,602

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 as i n d u s t r i a l r e l a t i o n s a n d e c o n o m i c 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, 2021 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

Four Board Meetings were held during the year under review. The dates on which the meetings were held are 27.06.2020, 28.08.2020, 13.11.2020 and 12.02.2021. The Annual General Meeting was held on 30.09.2020

2. 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	4	Yes	7	0
Mr. Paresh Mulji Kariya	Promoter – Executive	3	Yes	11	0
Mr. Nitin Khimji Kariya	Independent - Non-Executive	4	Yes	1	0
Ms. Priti Rameshbhai Sagar	Independent - Non-Executive	4	Yes	2	0
Mr. Sachchidanand Rajaram Adam*	Independent - Non-Executive	4	Yes	2	0

above mentioned directorship(s) includes directorships in Polytex India Limited and Excludes alternate directorship and directorship in foreign companies and privat

ecompanies which are either a subsidiary or 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.

3. Board Committees:

Audit Committee:

Name	Number of Audit Committee Meetings attended
Mr. Nitin Khimji Kariya	4
Ms. Priti Rameshbhai Sagar	4
Mr. Sachchidanand Rajaram Adam	4

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,

As on 31st March, 2021, the Audit Committee comprises of the following three Non-Executive Independent Directors:

Mr. Nitin Khimji Kariya - Chairman

Ms. Priti Rameshbhai Sagar - Member

Mr. Sachchidanand Rajaram Adam - Member

The Audit Committee met four times i.e. on 27.06.2020, 28.08.2020, 13.11.2020 and 12.02.2021 during the year under review. Details of attendance of each member are as follows:

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.

Nomination and Remuneration Committee: Composition:

As on 31st March, 2021, the Nomination and Remuneration Committee comprises of the following three Non-Executive and Independent Directors:

Mr. Nitin Khimji Kariya - Chairman

Ms. Priti Rameshbhai Sagar - Member

Mr. Sachchidanand Rajaram Adam - Member

Nomination and Remuneration Committee met for 4 times in the year on 27.06.2020, 28.08.2020, 13.11.2020 and 12.02.2021 during the financial year 2020-21. Details of attendance of each member are as follows:

Name	Number of Nomination and Remuneration Committee Meetings attended
Mr. Nitin Khimji Kariya	4
Ms. Priti Rameshbhai Sagar	4
Mr. Sachchidanand Rajaram Adam	4

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 31.03.2021 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	8,00,000	-	-	-	-	8,00,000
Mr. Arvind Mulji Kariya	Whole Time Director & CFO	Brothers		-	-	-	-	-

Details of Remuneration / Compensation Paid to the Non- Executive / Independent Director During the Year Ended 31.03.2021:

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 2020-2021.

Disclosure of Shareholding by Non – Executive Directors

Sr. No.	Name of Director	No. of Shares Held
1.	Mr. Nitin Khimji Kariya	NIL
2.	Ms. Priti Rameshbhai Sagar	NIL
3.	Mr. Sachchidanand Rajaram Adam	NIL

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 31st March, 2021, the Stakeholders Relationship Committee comprises of the following 3 Non-Executive - Independent Directors:

Mr. Nitin Khimji Kariya - Chairman

Ms. Priti Rameshbhai Sagar - Member

Mr. Sachchidanand Rajaram Adam - 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. Avinash Pratap, Company Secretary of the Company (resigned on 15.10.2020) 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

4. Familiarization Programme for Independent Directors:

The Independent Directors are familiarized, inter alia, 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:

Date & Time	Location	Special Resolution Passed
30 th September, 2020 10.00 am	1 st Floor, Nisarg Apartment, Besant Road, Vile Parle (West), Mumbai - 400 056.	3
30 th September, 2019 10.30 am	1 st Floor, Nisarg Apartment, Besant Road, Vile Parle (West), Mumbai - 400 056.	Nil
28 th September, 2018 10.30 a.m.	1 st Floor, Nisarg Apartment, Besant Road, Vile Parle (West), Mumbai - 400 056.	Nil
28 th September, 2017 10.30 a.m.	1 st Floor, Nisarg Apartment, Besant Road, Vile Parle (West), Mumbai - 400 056.	Nil

(b) Postal Ballot:

During the year ended March 31, 2021, 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 through Postal Ballot. No Special Resolution is proposed to be conducted through Postal Ballot at the ensuing AGM.

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.

5. 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
www.polytexindia.com

Website

(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.

6. CEO / CFO Certification

- (a) 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.

7. 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.

Website: The financial results are also posted on the Company's website www.polytexindia.com.

- (b) Whether Website also displays official news releases : No
- (c) Whether presentations made to institutional investors or to the analysts : No
- (d) Annual Report: Annual Report is circulated to all the members within the required time frame, physically through post and via E-mail, wherever the E-mail ID is available in accordance with the "Green Initiative Circular" issued by MCA. The shareholders have been provided remote e-voting option for the resolutions passed at the general meeting to vote as per their convenience.
- (e) 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.

- (f) 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.
- (g) 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.
- (h) The Management Discussion & Analysis Report forms part of the Annual Report.
- (i) 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

8. General Shareholder Information

AGM: Date, Time and Venue	30 th September, 2021 at 03.00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means
Financial Year	The financial year under review covers the period 1 st April, 2020 to 31 st March, 2021.
Date of Book Closure	Friday, 24th September, 2021 till Thursday, 30th September, 2021

Listing on Stock Exchanges	1. BSE Limited, Mumbai The Company has not paid the listing fees for the period 1 st April 2020 to 31 st March 2021 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	Link Intime India Pvt. Ltd. Registrars: C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083.
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 31.03.2021. The trading / liquidity details are given at Annexure 'A' below.
Distribution of Shareholding and share holding pattern as on 31.03.2021	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: Link Intime India Pvt. Ltd. Registrars C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083. E-mail: rnt.helpdesk@linkintime.co.in.

Annexure 'A'

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

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
Apr-20	0.70	0.54	12,792
May-20	0.52	0.48	232
Jun-20	0.46	0.46	97
Jul-20	0.50	0.48	856
Aug-20	0.54	0.52	2,905
Sep-20	0.58	0.56	3,103
Oct-20	0.58	0.58	1

Nov-20	0.63	0.60	2,425
Dec-20	1.01	0.66	53,199
Jan-21	1.43	1.06	58,727
Feb-21	1.66	1.45	17,539
Mar-21	2.20	1.69	75,246

Data based on BSE website:

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

Annexure 'B'

9. Category of Shareholders as on 31st March, 2021:

Category	No. of Shares	Held % age of total shares
Clearing Members	33507	0.2482
Corporate Bodies (Promoter Co)	460000	3.4074
Directors	4448000	32.9481
Government Companies	369274	2.7354
Hindu Undivided Family	327384	2.4251
Non Resident (Non Repatriable)	100	0.0007
Non Resident Indians	2160	0.0160
Other Bodies Corporate	565905	4.1919
Public	7293670	54.0272
Total	13500000	100

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, 2020 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 31st March 2020, 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

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

Mumbai, 13th August, 2021

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

We, 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 31st March, 2021 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
Chief Financial Officer & Director
DIN: 00216112

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Polytex India Limited
Mumbai

I have examined the compliance of conditions of Corporate Governance by **Polytex India Limited** for the year ended on 31st March, 2021, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the 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 and the representations made by the management, I hereby certify that the Company has not complied with the conditions of regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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.

The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and may not be suitable for any other purpose.

Pratik Ghundiyal and Associates
Company Secretary

Sd/-
CS Pratik Ghundiyal
COP No.:19927
ACS No.: A50903

UDIN: A050903C000800564

Date: 13.08.2021
Place: Pune

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
POLYTEX INDIA LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**OPINION**

We have audited the accompanying standalone financial statements of POLYTEX INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), Cash Flows statement and statement of changes in the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at 31 March, 2021 and its profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

We have determined the matters described below the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in auditor's responsibilities for the audit of Ind AS section of our report, including relation to these matters.

Key Audit Matters	How our audit addressed the key audit matters
<p>1. Impairments of financial assets as at Balance Sheet Date (Expected Credit Losses):</p> <p>Ind AS 109 requires the company to provide for impairment of its loan receivable using the expected credit loss approach. ECL involves an estimation of probability of weighted loss on the financial instruments over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the company's loans and advances.</p> <p>In the process, a significant degree of judgment has been applied by the Management for:</p> <ul style="list-style-type: none"> • Staging of loans [i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories]; • Estimation of behavioral life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/minimal historical defaults. <p>Additional considerations on account of COVID-19</p> <p>Pursuant to the Reserve Bank of India circular dated 27th March 2021 ('RBI circular') allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between 1st March 2021 and 31st May 2021, the Company has not facilitate moratorium benefits to its borrowers because the company has limited number of borrowers and he / she Repaid his / her dues within the due date.</p>	<ul style="list-style-type: none"> • Read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on 13th March 2021. • Evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 or 3. • Assessed the additional considerations applied by the Management for staging of loans as SICR or default categories in view of Company's policy on moratorium. Tested the ECL model, including assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. • Tested assumptions used by the Management in determining the overlay for macro-economic factors (including COVID-19 pandemic). • Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regards to the impact of COVID-19 on ECL estimation.

Basis of Qualified Opinion as per Standards on Auditing 705

1. Attention is invited that the management has not made Provision for Gratuity as per Indian Accounting Standard (Ind AS) 19 – Employee Benefits requires the provisioning of retirement benefits based on actuarial valuation of retirement benefits and additional disclosures as required in terms of Ind AS-19.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility Report and Corporate Governance Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's reports thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income cash flows and changes in equity of the Company in accordance with the Ind AS and other Accounting Principles generally accepted in India, This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 state statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
- (ii) 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) Except for the matter prescribed in para 4 above, in our opinion, the aforesaid financial statements comply with the Accounting Standards 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 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
 - g) 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 as of March 31, 2021
 - (ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

**For Agrawal Jain and Gupta
Chartered Accountants
Firm Registration No.: 013538C
UDIN: 21409759AAAABH7907**

**Sd/-
(Narayan Swami)
Partner
M. NO.: 409759**

Place: Mumbai

Date: 30th June, 2021

Annexure A to the Independent Auditors' Report**[Referred to in paragraph 6 (i) of our report of even date]**

- i.
 - a) The Company is maintaining proper record showing full particulars, including quantitative details situation of fixed assets.
 - b) Physical verification of fixed assets is carried out by the management with a planned programme of verification, which in our opinion, provides for physical verification of all fixed assets at reasonable intervals. The physically verified assets have been compared with the book records and discrepancies noticed on such verification were not material and have been properly dealt with in books of accounts.
 - c) The company does not disposed-off substantial part of fixed assets during the year.
- ii. According to the information & explanation given to us, the Company does not have any inventory and hence paragraph 3(ii) of the order is not applicable.
- iii. In our opinion and according to information and explanation given to us, the The Company has not granted any loans, secured or unsecured to Companies, firms, limited liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the Provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the company and not commented upon.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans and advances given, investments made and, guarantees given has been complied with by the Company. The provisions of section 185 in respect of loans to directors including entities in which they are interested and provisions of section 186 with respect to securities given are not applicable to the Company and hence not commented upon.
- v. According to Information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The company does not qualify the prescribed criteria as specified in Companies (Cost Records and Audit) Rules, 2014, and therefore is not required to maintain the cost records as prescribed under Section 148 (1) of the Act. Hence paragraph 3 (vi) of the order is not applicable.
- vii. In respect of statutory dues:
 - a) According to the information and explanation given to us and records examined by us, the company is regular in depositing undisputed statutory dues including 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 undisputed amounts payable in respect of Income Tax, and any other statutory dues outstanding as on 31st March, 2021 for a period more than six months from the date they became payable.

- b) According to the information and explanations given to us, the company doesn't have any disputed dues as on 31-03-2021 and hence paragraph 3 (vii) (b) of the Order is not applicable.
- viii. According to records of the company examined by us and the information and explanations given to us, there are no loans or borrowings from any financial institution, banks, government or debenture holders and therefore paragraph 3(viii) of the Order is not applicable.
- ix. According to records of the company examined by us and the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or by way term loan and hence paragraph 3(ix) of the order is not applicable.
- x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us we neither come across any instances of material fraud by the company or on the company by its officers or employees noticed or reported during the year, nor have been informed of any of such case by the management.
- xi. According to the information and explanation given to us and based on our examination of the records of the company, the company has paid for managerial remuneration in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3 (xiv) of the order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

- xvi. To the best of our knowledge and according to the information and explanations given to us, the company has registered under section 45-IA of the Reserve Bank of India Act, 1934

**For Agrawal Jain and Gupta
Chartered Accountants
Firm Registration No.: 013538C
UDIN: 21409759AAAABH7907**

**Sd/-
(Narayan Swami)
Partner
M. NO.: 409759**

Place: Mumbai

Date: 30th June 2021

Annexure - B to the Independent Auditors' Report

[Referred to in paragraph 6 (ii) (f) of our report of even date]

Report on the Internal Financial Controls Over Financials Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") of Polytex India Limited

We have audited the internal financial controls over financial reporting of **POLYTEX INDIA LIMITED** ("the Company") as of March 31, 2021 in conjunction it's our audit of the financial statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'). 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 and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting

principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2021, 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.

For Agrawal Jain and Gupta
Chartered Accountants
Firm Registration No.: 013538C
UDIN: 21409759AAAABH7907

Sd/-
(Narayan Swami)
Partner
M. NO.: 409759

Place: Mumbai

Date: 30th June 2021

POLYTEX INDIA LIMITED

401, 4th Floor, Nisarg Apartment, Basant Raod,
Vile Parle (West), Mumbai, Maharashtra - 400 056.
CIN: L51900MH1987PLC042092

BALANCE SHEET AS AT 31st MARCH, 2021

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT 31-03-2021	AS AT 31-03-2020
I ASSETS			
1 FINANCIAL ASSETS			
Cash and cash equivalents	3	2,617,770	3,548,045
Investments	4	28,512,000	28,512,000
Loans and advances	5	127,928,525	150,683,987
Total		159,058,296	182,744,032
2 NON-FINANCIAL ASSETS			
Current assets	6	194,865	1,429,261
Property, plant and equipment	7	41,183	41,183
Intangible Assets	8	15,730	15,730
Total		251,778	1,486,174
Total Assets		159,310,073	184,230,205
II LIABILITIES AND EQUITY			
LIABILITIES			
1 FINANCIAL LIABILITIES			
Trade payables	9	1,363,556	892,361
Other financial liabilities	10	127,945	290,703
2 NON-FINANCIAL LIABILITIES			
Provisions	11	1,498,500	495,890
Deferred Tax Liabilities-Net	12	15,354	126,032
Other Non-Financial Liabilities	13	-	30,000,000
Total		3,005,354	31,804,986
3 EQUITY			
Equity share capital	14	135,000,000	135,000,000
Other equity	15	21,304,720	17,425,220
Equity Attributable to Owner of Company		156,304,720	152,425,220
Total Liabilities and Equity		159,310,073	184,230,206
		-0	-0

Significant Accounting Policies and Notes on Financial Statements 1 to 30

As per our attached report of even date

For Agrawal Jain & Gupta
Chartered Accountants
Firm Registration No. 013538C
UDIN: 21409759AAAABH7907

For and on Behalf of the Board
Polytex India Limited

Sd/-
CA. NARAYAN SWAMI
Partner
Membership No.: 409759
UDIN: 21409759AAAABH7907

Sd/-
NITIN KHIMJI KARIYA
(Director)
DIN: 02507675

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

Place : Mumbai
Date : 30th June, 2021

POLYTEX INDIA LIMITED

401, 4th Floor, Nisarg Apartment, Basant Raod,
Vile Parle (West), Mumbai, Maharashtra - 400 056.
CIN: L51900MH1987PLC042092

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

(Amount in ₹)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31-Mar-21	FOR THE YEAR ENDED 31-Mar-20
I Income			
Income From Operation	16	10,759,549	7,178,007
Other Income	17	42,084	372,672
Total Income		10,801,633	7,550,679
II Expenses			
Employee benefit expenses	18	1,321,129	3,586,218
Finance Cost	19	362	887
Deprn and amortisation expenses		-	-
Other expenses	20	4,212,821	3,284,906
Total Expenses		5,534,312	6,872,011
III Profit before tax (I-II)		5,267,321	678,668
IV Tax Expense:			
Current tax		1,498,500	157,890
Deferred tax		-	2,578
Prior-period tax expenses		(110,678)	(47,494)
V Profit for the year (III-IV)		3,879,500	565,694
VI Other Comprehensive Income			
VII Total Comprehensive Income for the year		3,879,500	565,694
Earnings per equity share			
Basic		0.29	0.04
Diluted		0.29	0.04

Significant Accounting Policies and Notes on Financial Statements 1 to 30

As per our attached report of even date

For Agrawal Jain & Gupta
Chartered Accountants
Firm Registration No. 013538C
UDIN: 21409759AAAABH7907

For and on Behalf of the Board
Polytex India Limited

Sd/-
CA. NARAYAN SWAMI
Partner
Membership No.: 409759
UDIN: 21409759AAAABH7907

Sd/-
NITIN KHIMJI KARIYA
(Director)
DIN: 02507675

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

Place : Mumbai
Date : 30th June, 2021

POLYTEX INDIA LIMITED

401, 4th Floor, Nisarg Apartment, Basant Raod,
Vile Parle (West), Mumbai, Maharashtra - 400 056.
CIN: L51900MH1987PLC042092

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021**EQUITY SHARE CAPITAL**

Particulars	Amount
As at 1st April, 2019	135,000,000
Changes in equity share capital	-
As at 31st March, 2020	135,000,000
Changes in equity share capital	-
As at 31st March, 2021	135,000,000

OTHER EQUITY

	Statutory Reserve	General Reserve	Profit and Loss Account	Total
Balance as at April 01, 2019		564,618	16,294,908	16,859,526
Profit for the year		-	565,694	565,694
Less: Provision for Standard Assets Expenses			-	-
Transfer to/from Profit and Loss Account	-	-	-	-
Balance as at March 31, 2020	-	564,618	16,860,602	17,425,220
Profit for the year		-	3,879,500	3,879,500
Less: Provision for Standard Assets Expenses				-
Transfer to/from Profit and Loss Account		-		-
Balance as at March 31, 2021	-	564,618	20,740,102	21,304,720

Significant Accounting Policies and Notes on Financial Statements 1 to 30

As per our attached report of even date

For Agrawal Jain & Gupta
Chartered Accountants
Firm Registration No. 013538C
UDIN: 21409759AAAABH7907

For and on Behalf of the Board
Polytex India Limited

Sd/-
CA. NARAYAN SWAMI
Partner
Membership No.: 409759
UDIN: 21409759AAAABH7907

Sd/-
NITIN KHIMJI KARIYA
(Director)
DIN: 02507675

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

Place : Mumbai
Date : 30th June, 2021

POLYTEX INDIA LIMITED

401, 4th Floor, Nisarg Apartment, Basant Raod,
Vile Parle (West), Mumbai, Maharashtra - 400 056.
CIN: L51900MH1987PLC042092

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

	2020-21	2019-20
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax as per Statement of Profit and Loss	5,267,321	678,668
Adjusted for:		
Depreciation and amortisation expenses	-	-
Interest Received During the year	(10,759,549)	(7,178,007)
Fair Valuation gain on Investments		(162,000)
Provision For Standard Assets exp		-
Extra Tax Provision Made Now Reversed	-	
Operating Profit before Working Capital Changes	(5,492,228)	(6,661,339)
Adjusted for:		
Decrease/ (increase) in Loans		-
Decrease/ (increase) in Other Financial Assets	-	-
Decrease/ (increase) in Current Assets	1,234,396	135,618
Increase/ (decrease) in Trade Payables	471,195	46,210
Increase/ (decrease) in Other Financial Liabilities	(162,758)	97,593
Increase/ (decrease) in Provisions	1,002,610	(577,110)
Cash Generated from Operations	(2,946,785)	(6,959,028)
Taxes Paid (Net)	(1,498,500)	(110,396)
Net Cash Flow Used in Operating Activities	(4,445,285)	(7,069,424)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Disbursement of Loan & Advances	22,755,462	(26,838,983)
Interest Income	10,759,549	7,178,007
Net Cash Flow Used in Investing Activities	33,515,011	(19,660,976)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan raised from/ (repaid to) Third Party	(30,000,000)	30,000,000
Net Cash Flow From Financing Activities	(30,000,000)	30,000,000
Net Increase in Cash and Cash Equivalents	(930,274)	3,269,600
Opening Balance of Cash and Cash Equivalents	3,548,045	278,444
Closing Balance of Cash and Cash Equivalents	2,617,770	3,548,045
Cash and Cash equivalent as per above comprises of the following	44,286	43,921
Cash and Cash Equivalents (Refer Note 3)	24,334	42,834
Earmarked balances with bank	-	-
Short term bank deposits	2,593,437	3,505,211
Balances as per statement of Cash Flows	2,617,770	3,548,045

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As per our attached report of even date

For Agrawal Jain & Gupta
Chartered Accountants
Firm Registration No. 013538C
UDIN: 21409759AAAABH7907

For and on Behalf of the Board
Polytex India Limited

Sd/-
CA. NARAYAN SWAMI
Partner
Membership No.: 409759
UDIN: 21409759AAAABH7907

Sd/-
NITIN KHIMJI KARIYA
(Director)
DIN: 02507675

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

Place : Mumbai
Date : 30th June, 2021

POLYTEX INDIA LIMITED

401, 4th Floor, Nisarg Apartment, Basant Raod,
Vile Parle (West), Mumbai, Maharashtra - 400 056.
CIN: L51900MH1987PLC042092

NOTES

Forming part of the Standalone Financial Statements for the year ended 31st March, 2021

Note 3

Cash and cash equivalents	31-Mar-21	31-Mar-20
Cash in hand	24,334	42,834
Balance with Banks:	2,593,437	3,505,211
Total	2,617,770	3,548,045
Cash and Cash Equivalents as per Cash Flow Statement	2,617,770	3,548,045

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Note 4

Investments	31-Mar-21	31-Mar-20
At Amortised Cost		
<u>Quoted Equity Shares</u>		
<u>Unquoted Shares</u>		
81,000 Equity Shares of Roochi Food Plaza Pvt. Ltd. (FV Rs.10)	28,512,000	28,350,000
Purchase Cost: 81,000 Shares @Rs. 350		
Add: Fair Valuation Gain/(Loss)		162,000
Total	28,512,000	28,512,000

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Note 6

Current Assets	31-Mar-21	31-Mar-20
TDS Receivable (A.Y. 2019-20)	-	734,392
TDS Receivable (A.Y. 2020-21)	170,865	670,869
Advance to Others	24,000	24,000
Total	194,865	1,429,261

POLYTEX INDIA LIMITED

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NOTES

Forming part of the Standalone Financial Statements for the year ended 31st March, 2021

Note 5

Loans and advances	31-Mar-21	31-Mar-20
(A) Business Loans	128,410,063	151,250,885
Less: Impairment Loss Allowance	481,538	566,898
Total (A)-Net	127,928,525	150,683,987
(B) Out of Above		
(i) Secured by tangible assets	-	-
(ii) Unsecured	128,410,063	151,250,885
Less: Impairment Loss Allowance	481,538	566,898
Total (B)-Net	127,928,525	150,683,987
(C) Out of Above		
(i) Loans Outside India	-	-
(ii) Loans in India		
-Public Sector	-	-
-Others	128,410,063	151,250,885
Less: Impairment Loss Allowance	481,538	566,898
Total (C)-Net	127,928,525	150,683,987

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

Particulars	FY 2020-21			FY 2019-20	
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 3
Gross carrying amount opening balance	-	-	-	-	-
New assets originated or purchased	-	-	-	-	-
Assets derecognised or repaid (excluding write-offs)	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Gross carrying amount closing balance	-	-	-	-	-

Reconciliation of ECL Balance

Particulars	FY 2020-21			FY 2019-20	
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 3
Gross carrying amount opening balance	566,898	-	-	566,898	-
New assets originated or purchased	481,538	-	-	-	-
Assets derecognised or repaid (excluding write-offs)	-566,898	-	-	-	-
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-
Gross carrying amount closing balance	481,538	-	-	566,898	-

POLYTEX INDIA LIMITED

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NOTES

Forming part of the Standalone Financial Statements for the year ended 31st March, 2021

Note 7

Property, plant and equipment	Computers & Printers	Total
Cost:		
At 01-Apr-2019	823,648	823,648
Additions/Disposals during the year	-	-
At 31-Mar-2020	823,648	823,648
Additions/Disposals during the year	-	-
Write offs during the year	-	-
At 31-Mar-2021	823,648	823,648
Accumulated Depreciation:		
At 01-Apr-2019	782,465	782,465
Additions/Disposals during the year	-	-
At 31-Mar-2020	782,465	782,465
Additions/Disposals during the year	-	-
Write offs during the year	-	-
At 31-Mar-2021	782,465	782,465
Carrying Amount:		
At 01-Apr-2019	41,183	41,183
At 31-Mar-2020	41,183	41,183
At 31-Mar-2021	41,183	41,183

Note 8

Intangible Assets	Computer & Software	Total
Cost:		
At 01-Apr-2019	314,595	314,595
Additions/Disposals during the year	-	-
At 31-Mar-2020	314,595	314,595
Additions/Disposals during the year	-	-
Write offs during the year	-	-
At 31-Mar-2021	314,595	314,595
Accumulated Depreciation:		
At 01-Apr-2019	298,865	298,865
Additions/Disposals during the year	-	-
At 31-Mar-2020	298,865	298,865
Additions/Disposals during the year	-	-
Write offs during the year	-	-
At 31-Mar-2021	298,865	298,865
Carrying Amount:		
At 01-Apr-2019	15,730	15,730
At 31-Mar-2020	15,730	15,730
At 31-Mar-2021	15,730	15,730

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NOTES

Forming part of the Standalone Financial Statements for the year ended 31st
March, 2021

Note 9

Trade Payables	31-Mar-21	31-Mar-20
Trade Advances:		
Other Advances	-	
Trade Payables	1,363,556	892,361
Total	1,363,556	892,361

Note 10

Other Financial Liabilities	31-Mar-21	31-Mar-20
Salary Payable	108,553	159,394
TDS payable	18,392	130,309
Other outstanding expenses	1,000	1,000
Total	127,945	290,703

Note 11

Long-term Provisions	31-Mar-21	31-Mar-20
Provision for taxation	1,498,500	495,890
Provision for gratuity		
Provision for expenses		
Total	1,498,500	495,890

Note 12

Deferred Tax Liabilities-Net	31-Mar-21	31-Mar-20
Opening Deferred Tax	126,032	123,454
Add: During the Year	-110,678	2,578
Total	15,354	126,032

Note 13**Other Non-Financial Liabilities**

Long-term Borrowings	31-Mar-21	31-Mar-20
Security Deposit Received	-	30,000,000
Total	-	30,000,000

Annexure

PARTICULARS	31-Mar-21	31-Mar-20
TRADE PAYABLES		
For Services Received	1,363,556	892,361
Payable to Employees	108,553	159,394
Total	1,472,109	1,051,755

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NOTES

Forming part of the Standalone Financial Statements for the year ended 31st March, 2021

NOTE 14

SHARE CAPITAL	As at 31-Mar-21	As at 31-Mar-20
Authorised		
1,35,00,000 (March 31, 2019:1,35,00,000; April 01, 2018: 1,35,00,000) Equity	135,000,000	135,000,000
Issued, Subscribed and Paid-up		
1,35,00,000 (March 31, 2019:1,35,00,000; April 01, 2018: 1,35,00,000) Equity	135,000,000	135,000,000
Total	135,000,000	135,000,000

(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	Amount in ₹
As at April 01, 2019	13,500,000	135,000,000
Issued during the year	-	-
As at March 31, 2020	13,500,000	135,000,000
Issued during the year	-	-
As at March 31, 2021	13,500,000	135,000,000

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

Particulars	31-Mar-21		31-Mar-20	
	No. of Shares	% of holding	No. of Shares	% of holding
Arvind Mulji Kariya	2,387,500	17.69%	2,387,500	17.69%
Jegna Arvind Kariya	2,200,500	16.30%	2,200,500	16.30%
Paresh Mulji Kariya	2,097,500	15.54%	2,097,500	15.54%
Sadhana Paresh Kariya	2,350,500	17.41%	2,350,500	17.41%

NOTE: 15

Other Equity	
Statutory Reserve as per Section 45 IC of RBI Act, 1934	
At 01-Apr-2019	
Add: Transfer from surplus balance in the Statement of Profit and Loss	
At 31-March-2020	
Add: Transfer from surplus balance in the Statement of Profit and Loss	
At 31-March-2021	
General Reserve	
At 01-Apr-2019	564,618
Add: Transfer from surplus balance in the Statement of Profit and Loss	-
At 31-March-2020	564,618
Add: Transfer from surplus balance in the Statement of Profit and Loss	-
At 31-March-2021	564,618
Profit and Loss Account	
At 1-April-2019	16,294,908
Add: Transfer from surplus balance in the Statement of Profit and Loss	565,694
Less: Transfer to Statutory Reserve	-
Less: Provision for Standard Assets Expenses	-
At 31-March-2020	16,860,602
Add: Transfer from surplus balance in the Statement of Profit and Loss	3,879,499.54
Less: Transfer to Statutory Reserve	-
Less: Provision for Standard Assets Expenses	-
At 31-March-2021	20,740,102

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NOTES

**Forming part of the Standalone Financial Statements for the year ended 31st
March, 2021**

Note 16

Revenue From Operation	31-Mar-21	31-Mar-20
Other Operating Revenue		
Interest On Loan	10,759,549	7,178,007
Total	10,759,549	7,178,007

Note 17

Other Income	31-Mar-21	31-Mar-20
Commission Received	-	193,617
Dividend Recd	-	5,100
Interest on Refund of IT	42,084	10,669
Interest Recd on Loan to Employees	-	1,286
Gain on fair valuation of investments	-	162,000
Total	42,084	372,672

Note 18

Employee Benefit	31-Mar-21	31-Mar-20
Directors Remuneration	800,000	2,400,000
Salaries to Employees	521,129	1,108,718
Staff Welfare Expenses	-	77,500
Gratuity Provision	-	-
Total	1,321,129	3,586,218

Note 19

Finance Cost	31-Mar-21	31-Mar-20
Bank Charges	362	887
Total	362	887

Note 20

Other Expenses	31-Mar-21	31-Mar-20
Listing & Annual Fees	462,577	476,540
Office Rent	472,000	1,416,000
Membership & Subscription	11,800	35,400
Legal and Professional charges	271,333	531,563
Auditor's fees	96,000	92,550
Interest on TDS & Income Tax	381	44
Travelling & Conveyance expenses	6,314	2,730
Telephone Charges	1,300	2,871
Printing and Stationery		10,575
Advertisement Charges	8,736	37,601
ROC Filing fees	600	29,800
Website Charges	4,012	3,894
Office Expenses	18,500	73,000
Professional Taxes-Company	2,500	2,500
Platform Fees - Paymate A/c	2,942,128	469,320
Provision against std assets	(85,360)	100,518
Total	4,212,821	3,284,906

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Comparison of Impairment Allowances as per IndAS and IRACP Norms

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard Assets	Stage 1	128,410,063	481,538	127,928,525	321,025	160,513
	Stage 2			0		0
Subtotal		128,410,063	481,538	127,928,525	321,025	160,513
Non-Performing Assets (NPA)						
Substandard	Stage 3			0		0
Doubtful- upto 1 year	Stage 3			0		0
1 to 3 years	Stage 3			0		0
More than 3 years	Stage 3			0		0
Subtotal for doubtful		0	0	0	0	0
Loss	Stage 3			0		0
Subtotal for NPA		0	0	0	0	0
Other Items such as guarantees, loan commitments, etc. which are	Stage 1			0		0
	Stage 2			0		0
	Stage 3			0		0
Subtotal		-	-	-	-	-
Total	Stage 1	128,410,063	481,538	127,928,525	321,025	160,513
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	Total	128,410,063	481,538	127,928,525	321,025	160,513

Type of Loan	Business Loan
Type of Exposure	Corporate Exposure
Sub type	Commodities Finance

Calculation of Expected Credit Loss for the year ended 31st March 2021

Particulars	PAYMATE	VIGIL CREDIT & MERCANTILES PVT. LTD.	Total	Remarks
Loan Amount	₹ 622,561	₹ 127,787,502	₹ 128,410,063.00	
Date of Disbursement	23-Sep-20			
Probability of Default	0.50%	0.50%		RBI's Internal Rating Based approach prescribes 0.03%. But taking a management overlay of 0.5%
Loss Given Default	75%	75%		As per RBI's Internal Rating Based approaches for Senior unsecured claim it is 65%. But taking a management overlay of 75%
Exposure at Default	₹ 466,921	₹ 95,840,627		
ECL	₹ 2,335	₹ 479,203	₹ 481,538	

Calculation of Expected Credit Loss for the year ended 31st March 2020

Particulars	PAYMATE	VIGIL CREDIT & MERCANTILES PVT. LTD.	Total	Remarks
Loan Amount	₹ 26,804,789	₹ 124,368,048	₹ 151,172,837.00	
Date of Disbursement	23-Sep-20			
Probability of Default	0.50%	0.50%		RBI's Internal Rating Based approach prescribes 0.03%. But taking a management overlay of 0.5%
Loss Given Default	75%	75%		As per RBI's Internal Rating Based approaches for Senior unsecured claim it is 65%. But taking a management overlay of 75%
Exposure at Default	₹ 20,103,592	₹ 93,276,036		
ECL	₹ 100,518	₹ 466,380	₹ 566,898	

1. Corporate Information

Polytex India Limited. ('the Company') is a company limited by shares, incorporated on 05th 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 30th June 2021, 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 13th 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.

Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

The outbreak of Covid-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial market and slowdown in economic activities. Reserve Bank of India (RBI) has issued a guideline relating Regulatory package of covid-19 dated 27-March 2020 and 17-April 2020 for moratorium of three-month period of Installment of dues (Principal as well as Interest) but Since company has mainly engaged to lend finance and company has limited number of customer and customers have regular in repayment of installments (Principal as well as Interest) therefore Company has not opted the such moratorium. There is least impact of covid-19 pandemic on financial market therefore company is least affected from the impact of amid Covid-19 Pandemic.

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.

II. Expenditures: -**a) Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR [refer note no. 2.2(I)(a)].

b) 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.

c) 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 an 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 (stage 1)

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 is made to the approved gratuity fund. The company has created gratuity funds in the previous financial year now reversed due to change in management of the company.

(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

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.

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.

Notes forming part of Financial Statements

22. Managerial Remuneration:

Particulars	2020 - 2021	2019 - 2020
	Rs.	Rs.
Directors Remuneration	8,00,000	24,00,000
TOTAL	8,00,000	24,00,000

23. Payment to Auditors (Exclusive of GST):-

Particulars	2020 - 2021	2019 - 2020
	Rs.	Rs.
Audit Fees	96,000	92,550
TOTAL	96,000	92,550

24. Earnings per Share

As per Ind-AS-33 "Earning Per Share", the Company's EPS is as under

(Amount in Rupees)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Net Profit after tax as Statement of Profit and Loss	37,57,980	5,65,694
Weighted average number of shares outstanding during the year	1,35,00,000	1,35,00,000
Basic and Diluted Earnings Per Share	0.28	0.04
Face Value Per Equity Share	10	10

25. Related Party Disclosures:

a) The names of the related parties are as under:

Name of related parties	Nature of relation
1. Key Management Personnel:	
Arvind Mulji Kariya	Director & Chief Financial Officer
Paresh Mulji Kariya	Director & Chairman
2. Associates/Enterprises where control / Significant Influence exists:	
Anurag Stock & Broking Pvt. Ltd.	
Anurag Commodities Pvt. Ltd.	
Wagad fincap Ltd.	
Anurag Realty Developers Pvt. Ltd.	
Anurag Portfolio Advisors Pvt. Ltd.	
Anurag Insurance Brokers Pvt. Ltd.	
Dream Heritage Pvt. Ltd.	
W W Technology Holding Ltd.	
Rapid Credit & Mercantiles Pvt. Ltd.	

Relatives of Key Managerial Personnel	
Jigna Arvind Kariya	
Sadhana Paresh Kariya	
Paresh M. Kariya (HUF)	
Arvind Mulji Kariya (HUF)	

Above related parties have been identified by the management and relied upon by the auditors.

b) Details of Transactions:

Sr. No.	Name	Transaction nature	Amount
1.	Paresh Mulji Kariya	Director Remunerations	8,00,000/-
2.	Paresh Mulji Kariya	Rents	4,72,000/-

26. As per the information available with the Company and certified by them, total outstanding due to Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year is Rs. Nil (Nil).
27. In the opinion of the Board, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business, at least equal to the amount at which they are stated.
28. All items of receipts and payments, Income & Expenditure wherever details, vouchers, supporting and/ or any sort of evidences not available are hereby approved confirmed, authenticated and certified by the management.
29. Figures of the previous year have been regrouped and reclassified wherever necessary.
30. The amount in the Balance Sheet, and statement of Profit and Loss are rounded off to the nearest rupee.

Signature to Notes (1 to 30)

As per our attached report of even date.

For Agrawal Jain & Gupta For and on Behalf of the Board

Chartered Accountants Polytex India Ltd.

Firm Registration No. 013538C

UDIN: 21409759AAAABH7907

Sd/-
Narayan Swami
(Partner)
Membership No. 409759

Sd/-
Nitin Khimji Kariya
(Director)
DIN: 02507675

Sd/-
Arvind Mulji Kariya
(Director)
DIN: 00216112

Place: Mumbai

Place: Mumbai

Date: 30th June, 2021

Date: 30th June, 2021