

**39th**  
***ANNUAL REPORT***  
**2020-2021**

**OSWAL YARNS LIMITED**

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**OSWAL YARNS LIMITED****BOARD OF DIRECTORS**

Sh. Tej Paul Oswal  
Managing Director

Sh. Bharatt Oswal  
Wholetime Director

Mr. Nipun Vyas  
Sh.Kulwant Rai Dhawan  
Ms. Vama Oswal

**AUDITORS**

S.H.S.P & Associates  
Chartered Accountants  
657-B, Agar Nagar,  
Ludhiana

**BANKERS**

State Bank of India  
Civil Lines, Ludhiana

**REGISTERED OFFICE & WORKS**

Oswal House, Link Road, Industrial Area-A,  
Ludhiana-141 003 (pb.)  
Ph. 0161-2224256  
E-mail:- oyllyarns@rediffmail.com

**REGISTRAR & TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
Noble Heights, 1st floor, Plot No NH-2, C-1 Block,  
LSC, Near Savitri Market, Janakpuri,  
New Delhi - 110058  
E-mail: delhi@linkintime.co.in  
011 41410591 to 94

**39th ANNUAL GENERAL MEETING**

**Day** :Thursday  
**Date** :30 September, 2021  
**Time** :10.30 a.m.  
**Place** : CHICK FI Restaurant  
Metro Road, Jamalpur Colony  
Ludhiana-141010 (Pb.)

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## OSWAL YARNS LIMITED

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### NOTICE

NOTICE is hereby given that the **39th Annual General Meeting** of the Members of **Oswal Yarns Limited** will be held on **Thursday, 30th day of September, 2021 at 10:30 A.M CHICK FI Restaurant** Metro Road, Jamalpur Colony Ludhiana-141010 (Pb.) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Vama Oswal (DIN: 08264613), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. To appoint Sh. Nipun Vyas (DIN: 09034734) as an Independent Director of the Company: To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, Sh. Nipun Vyas (DIN: 09034734) be and is hereby appointed as an independent Director of the Company to hold office for a period for 5 (Five) consecutive years commencing w.e.f. 4th March, 2021 and he shall not be liable to retire by rotation.

" RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

4. To re-appoint Sh. Tej Paul Oswal (DIN: 01482096) as Managing Director of the Company: To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 196, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the re-appointment of Sh. Tej Paul Oswal (DIN 00781144) as Managing Director (Corporate Affairs) of the company for a period of 5 (five) years w.e.f. 31st July, 2021 be and is hereby approved. RESOLVED FURTHER THAT request of Sh. Tej Paul Oswal for not getting any salary during his tenure as Managing Director (Corporate Affairs) of the company be and is hereby approved and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby, authorized to do all acts, things and deeds for giving effect to this resolution."

By order of the Board  
For Oswal Yarns Limited

Place: Ludhiana  
Date: 13.08.2021

Sd/-  
(Bharatt Oswal)  
Whole-time Director  
(DIN: 00469332)

### Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on the poll instead of himself/ herself and such proxy need not be a member of the company. This instrument appointing the proxy duly completed should be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting. A blank proxy form is enclosed to the notice.

2. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding share in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
3. Register of Members and Share Transfer Books of the Company will remain Closed from Friday, 24th September, 2021 to Thursday, 30th September, 2021 (both days inclusive).
4. In support of the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, the Company is sending the Annual Report 2020-21 electronically to its members whose email addresses are registered with the company's registrar/Depository Participant unless the member has specifically requested for physical copy of the report.
5. In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Register & Transfer Agent through your registered E-mail ID. However, if you hold the shares in physical form then you may register your email ID with Registrar & Transfer Agent of the company by sending a letter under your registered signature at the below mentioned address:  
  
Link Intime India Pvt. Ltd.  
Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC,  
Near Savitri Market, Janakpuri, New Delhi - 110058  
E-mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)
6. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) to every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the company or the company's Registrar and Transfer Agent.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 3**

The Board of Directors in their meeting held on 4th March, 2021 had appointed Sh. Nipun Vyas (DIN: 09034734) as an Additional Director (Independent) of the Company who shall hold office till the conclusion of the ensuing Annual General Meeting. He has experience in the field of management and administration. It is being proposed to appoint Sh. Nipun Vyas as an Independent Director of the Company for a term of five consecutive years w.e.f. 4th March, 2021. The Company has already received declaration from him as to fulfilling the criteria of being Independent Director prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (LODR) Regulations, 2015.

Accordingly, the Board recommends the resolution at Item No. 3 for the approval of the members. Sh. Sh. Nipun Vyas and his relatives may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key managerial personal of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 4**

It is proposed to reappoint Sh. Tej Paul Oswal as Managing Director (Corporate Affairs) for a period of 5(five) years w.e.f. 31st July, 2021. He has more than six decades of experience in production and commercial lines of textiles. He will not be drawing any remuneration in view of the precarious financial position of the company. He is not a director in any other company. He is Chairman of Stakeholder Relationship Committee.

Sh. Tej Paul Oswal aged 89 years has more than six decades of experience in production and commercial line of textiles. He looks after corporate affairs of the company under his superintendence and control. He is associated with your company since inception. Therefore, the Board recommends his appointment as Managing Director for the approval of the Shareholders via a special resolution in terms of Sections 196 read with Schedule V of the Companies Act, 2013.

Except Sh. Tej Paul Oswal, the proposed appointee, Sh. Bharatt Oswal and Ms. Vama Oswal, none of other directors/ key managerial personnel of the company/their relatives are concerned or interested in the said resolution.

By order of the Board  
For Oswal Yarns Limited

Place: Ludhiana  
Date: 13.08.2021

Sd/-  
(Bharatt Oswal)  
Whole-time Director  
(DIN: 00469332)

**INSTRUCTIONS FOR E-VOTING OF SHAREHOLDERS**

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Monday, 27th September, 2021 at 9 A.M. and ends on Wednesday, 29th September, 2021 at 5 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on Shareholders.
- v. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:  
For Members holding shares in Demat Form and Physical Form

## OSWAL YARNS LIMITED

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records to login.</p> <ul style="list-style-type: none"> <li>• If the details are not recorded with the depository or company please enter OR the member id/ folio number in the Dividend Bank details field as mentioned in instruction (v)</li> </ul>

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN No. 210825008 for the relevant Oswal Yarns Limited on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details. (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note for Non - Individual Shareholders and Custodians"
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**DIRECTORS' REPORT**

To,  
The Members  
Oswal Yarns Limited,  
Link Road, Industrial Area,  
Ludhiana

Your Directors present the 39th Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 2021.

**Financial Highlights**

The summarized financial results of the company during the financial year 2020-21 are as under:

<b>PARTICULARS</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Total Revenue from operations</b>	<b>366.74</b>	<b>314.58</b>
<b>Profit before Depreciation, Interest &amp; Tax (PBDIT)</b>	<b>9.68</b>	<b>6.78</b>
Less: Interest & Financial Expenses	6.47	4.50
<b>Profit Before Depreciation &amp; Tax (PBDT)</b>	<b>3.21</b>	<b>2.28</b>
Less: Depreciation	3.58	3.15
<b>Profit Before Exceptional &amp; Extraordinary Items and Tax</b>	<b>(0.37)</b>	<b>(0.87)</b>
Exceptional Items	1.53	0.16
<b>Profit/(Loss) Before Tax</b>	<b>1.16</b>	<b>(0.71)</b>
Less: Provision for Tax	0.40	0.29
<b>Profit/(Loss) for The Period</b>	<b>0.76</b>	<b>(1.00)</b>
<b>Earnings Per Share (Rs.)</b>		
-Basic	(0.02)	(0.02)
-Diluted	(0.02)	(0.02)

**Dividend**

Keeping in view the future capital requirements of the Company, the Board of Directors of the company have not recommended any dividend for the year 2020-2021.

**Transfer to Reserves**

No amount has been transferred to the General Reserves. However, the net profit for the year ended 31st March, 2021 has been transferred to the retained earnings.

**Operational Review**

The company's business predominantly comprises of only one segment i.e. manufacturing and trading of knitted cloth. It falls under the single business segment of Textile industry. During the year under review, the highlights of the Company's performance are as under:

- Revenue from operations increased to **Rs. 366.74** Lakhs from **Rs 314.58** Lakhs
- PBDIT increased to **Rs 9.68** Lakhs from **Rs. 6.78** Lakhs
- Profit Before Tax for the current year stood at **Rs. 1.16** Lakhs
- The Company reported a Net Profit of Rs. 0.76 Lakhs as compared to loss of **Rs. 1.00** Lakhs reported last year.

**Report on Corporate Governance**

Pursuant to provisions of regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Regulation 27(2) are not applicable to the Company as on 31st March, 2021 as the paid-up Equity Share Capital and Net Worth was below Rs. 10 crores and Rs. 25 crores respectively.



**Share Capital**

During the year, the Company has neither issued any Shares with or without differential rights nor issued any Sweat Equity shares. The Company has not purchased its own equity shares. The Paid up Equity Share Capital as on 31st March, 2021 stood at Rs. 4,01,00,000/- comprising of 40,10,000 Equity Shares of Rs. 10/- each. The Company has not issued or granted any stock options.

**Board Meetings**

The Board meets at regular intervals to discuss and decide on policy and strategy apart from other business discussions. During the year under review, the Board of Directors met on eight occasions viz; 29th June, 2020; 20th July, 2020; 28th July, 2020; 20th August, 2020; 28th October, 2020; 7th January, 2021; 28th January, 2021 and 4th March, 2021. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

**Public Deposits**

The Company has not accepted any deposits from the public during the financial year 2020-21. There has not been any outstanding or unpaid or unclaimed deposit at the end of the financial year 2020-21 in terms of Section 73 of the Companies Act, 2013 including rules framed therein.

**Directors and Key Managerial Personnel**

In accordance with the provisions of Section 152(6) of the Companies Act, 2013, Ms. Vama Oswal (DIN: 08264613), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

During the year, Mr. Surinder Kumar Garg (DIN: 01482096) resigned from the office for Independent Director w.e.f. 13th July, 2020. Further, the Company had received confirmation from Mr. Surinder Kumar Garg that there were no other material reasons for his resignation other than those which are provided in his resignation letter.

Further, the Board in its meeting held on 4th March, 2021 had appointed Sh. Nipun Vyas (DIN: 09034734) as an additional Director (Independent) of the Company, who holds the office till the conclusion of ensuing Annual General Meeting. The resolution proposing his appointment as an Independent Director for a period of 5 years w.e.f. 4th March, 2021 is placed in the Notice calling the 39th Annual General Meeting of the Company.

The Board in its meeting held on 7th January, 2021 approved the resignation of Sh. Jatin Kumar as Company Secretary of the Company and appointed Ms. Chetna Narang as Company Secretary and Compliance officer of the Company.

**Declaration by Independent Directors**

The independent directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with the SEBI (LODR) Regulations.

**Significant and other material orders passed by the regulators or courts**

There are no significant and other material orders passed by the regulators or courts or tribunals during the financial year 2020-21 which has an impact on the going concern status and operations of the company substantially.

**Particulars of Loans, Guarantee or Investments**

The Company has not given any loans, guarantee or made investments in terms of Section 186 of the Companies Act, 2013.

**Material changes and commitments, if any, affecting the financial position of the company**

There are no material changes affecting the financial position of the company which have occurred between the end of the financial year 2020-21 of the company to which the financial statements relate and the date of the directors report.

**Annual Return**

The Annual Return of the Company as on 31st March, 2021 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 is enclosed as Annexure -1 and forms part of this Report and also available on the website of the Company.

**Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that Directors' have prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Selection & Remuneration Policy**

The Board of Directors of your company on the recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of directors, key managerial personnel, senior management employees and their remuneration

**Auditors**

M/s SHSP and Associates, Chartered Accountants, Ludhiana (FRN 004267N) were appointed as Statutory Auditors of the company at the 35th Annual General Meeting of the Company to hold office till the conclusion of 40th Annual General Meeting of the Company subject to ratification of appointment at every Annual General Meeting. However, pursuant to the amendments made to the Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective May 7, 2018, the requirement seeking ratification of the Members every year has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

**Cost Records**

As per the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is not required to maintain cost records.

**Auditors' Report**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

**Conservation of Energy, technology Absorption and Foreign Exchange Earning and Outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as Annexure- 2 and forms part of this Report.

**Secretarial Audit Report**

The Board has appointed Mr. Vikas Rai Berry, Practicing Company Secretary as Secretarial Auditors of the Company for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 is enclosed as Annexure-3 to this report. The Secretarial Audit Report is self-explanatory and do not call for any further comments.

**Particulars of Contracts or Arrangements with Related Parties**

The company has not entered into any contract or arrangement or transactions with the related parties in terms of Section 188(1) of the Companies Act, 2013 during the year under review. Therefore there is no requirement for disclosure pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

**Corporate Social Responsibility (CSR)**

The stipulation of formulate Corporate Social Responsibility Committee is not applicable to your company in terms of Section 135 of the Companies Act, 2013.

**Formal Annual Evaluation**

The Board carries out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various committees viz. Audit, Risk Management, Nomination & Remuneration and Stakeholders Relationships Committee.

**Industrial Relations**

Industrial relations remained cordial throughout the year under review.

**Internal Control Systems and Audit**

Your company has adequate internal control systems commensurate with the size and nature of the business. The company has engaged Berry Associates as its external agency to conduct internal audit of affairs of the company. The scope of their work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis.

**Committees of the Board****1. Audit Committee**

The company has constituted an Audit Committee in terms of Section 177 of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015. As on 31st March, 2021, the Committee comprises of Sh. Nipun Vyas as Chairman with Sh. Kulwant Rai Dhawan and Ms. Vama Oswal as Members. The recommendations of the audit committee are always accepted by the Board of Directors. The Audit Committee met 4 (four) times during financial year 2020-21 on 29th June, 2020; 28th July, 2020; 28th October, 2020 and 28th January, 2021.

**2. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been constituted by the Board in terms of Section 178 of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015. As on 31st March, 2021, the Committee consists of Sh. Nipun Vyas as Chairman with Sh. Kulwant Rai Dhawan and Ms. Vama Oswal as members. It lays down

criteria for the persons who are qualified to become directors and who may be appointed in senior management, makes recommendation to the Board for the appointment and removal of directors, key managerial personnel, senior management employees and their remuneration. During the financial year 2020-21, two meetings of the Nomination and Remuneration Committee were held on 7th January, 2021 and 4th March, 2021.

### **3. Stakeholders Relationship Committee**

The Company has constituted Stakeholders Relationship Committee in terms of Section 178 of the Companies Act, 2013 read with stipulations of the SEBI (LODR), 2015. It comprises of Sh. Tej Paul Oswal as Chairman with Sh. Nipun Vyas and Sh. Kulwant Rai Dhawan as members. It inter-alia considers and resolves the grievances of the shareholders and investors viz; transfer of shares, non-receipt of shares/annual reports etc. & reviewing the reports by the Registrar. The Stakeholders Relationship Committee met 4 (four) times during financial year 2020-21 on 29th June, 2020; 28th July, 2020; 28th October, 2020 and 28th January, 2021.

### **Vigil Mechanism/Whistle Blower Policy**

The company has a vigil mechanism / whistle blower policy whereby any personnel who has genuine concerns and/or observes matters involving any alleged misconduct (not necessarily a violation of law), fraud and mismanagement, if any, can approach the Audit Committee without necessarily informing their supervisors. The company has provided protection to "whistle blowers" from unfair termination and other prejudicial employment practices. During the financial year 2020-21, there has not been any instance of fraud/misconduct etc. reported under this policy of the company.

### **Subsidiaries/Joint Ventures and Associates**

The company does not have any subsidiary/joint venture and associate company/concern.

### **Management Discussion and Analysis**

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report.

### **Particulars of Employees**

Information pertaining to employees in terms of Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 is NIL

### **Policy for Prevention of Sexual Harassment of Women at Work Place**

Your Company has adopted a policy and constituted Internal Complaints Committee for prevention, prohibition and redressal of sexual harassment of women at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2020-21, no complaint on sexual harassment was received by the company.

### **Listing**

The securities of the Company are listed on BSE Limited (Scrip Code: 514460), Floor 25, P.J. Towers, Dalal Street, Mumbai - 400 001. However, the Company has not paid listing fee of the Stock Exchange against which BSE Limited has initiated insolvency proceedings against the Company. The Company cannot further comment on the same as the matter is subjudice.

### **Acknowledgment**

Your company expresses gratitude to the Lenders, Creditors, Shareholders, Government Department, Customers and Business Constituents for their cooperation and support.

For & On Behalf of Board of Directors  
For Oswal Yarn Limited

Place: Ludhiana  
Date: 13.08.2021

Sd/-  
(Bharatt Oswal)  
Executive Director  
(DIN: 00469332)

Sd/-  
(Tej Paul Oswal)  
Managing Director  
(DIN: 00781144)

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry Structure and Developments**

The world currently suffering from the Covid-19 pandemic which has adversely affected the world economy on the whole. The world is currently fighting a health pandemic as well as an economic pandemic. The outbreak of Covid-19 has posed one of the biggest unforeseen threat to the Global Economy. The company predominantly operates in one segment i.e. manufacturing and trading of knitted cloth. It falls under the single business segment of Textiles. Covid-19 pandemic has hit the textile sector very hard. Fall in consumer demand with the continuous rise in inputs has adversely affected the sector on the whole. Looking forward, this pandemic has posed unforeseen and unprecedented challenges.

**Opportunities and Threats**

Strategically located unit in the heart of the industrial town of Ludhiana is an opportunity for the company in these difficult times. Strong core competence fundamentals of promoters and easily accessible customer base are the other strengths of the Company.

Poor macro-economic conditions and uncertainty in the markets going ahead pose significant threat to the Company. The Company has been into losses for many years which makes it difficult for the Company to meet working capital fund requirements

**Performance and Future Outlook**

During the year under review, Revenue from operations increased to Rs. 366.74 Lakhs from Rs 314.58 Lakhs. Profit before Tax for the current year stood at Rs. 1.16 Lakhs and The Company reported a Net Profit of Rs. 0.76 Lakhs as compared to loss of Rs. 1.00 Lakhs reported last year.

Keeping in view the current situation of the economy as well as financial position of the Company, the future outlook remains uncertain for the Company.

**Internal Control System**

Your company has adequate internal control system commensurate with the size and nature of business to ensure utilization and protection of assets, compliance with statues and proper recording of transactions. The company has engaged "Berry & Associates" as its external agency to conduct internal audit of affairs of the company. The scope of their work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes and assessing the internal control strengths in all areas. Internal Auditors findings are discussed and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis.

**Cautionary Statement**

Statements in the Management Discussion and Analysis Report describing the Company's expectations, estimates and projections may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

**OSWAL YARNS LIMITED****Annexure-1**

**Form No. MGT-7  
ANNUAL RETURN  
As on the financial year ended on 31/03/2021  
Of  
Oswal Yarns Limited  
[Pursuant to Section 92(1) of the Companies Act, 2013  
And**

**Rule 11(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION & OTHER DETAILS:**

i) CIN:	L17111PB1982PLC005006		
Foreign Company Registration Number/GLN			
Permanent Account Number(PAN) of the company	AAAC08968Q		
ii) a) Name of the Company	OSWAL YARNS LIMITED		
b) Registered office address	OSWAL HOUSE LINK ROAD, INDUSTRIAL AREA A LUDHIANA PUNJAB 141003 India		
c) *email-ID of the company	<a href="mailto:oylyarns@rediffmail.com">oylyarns@rediffmail.com</a>		
d) *Telephone number with STD code	01612224256		
e) Website			
iii) Date of Incorporation	16/06/1982		
iv) Type of the Company	Public Company		
Category of the Company	Company limited by shares		
Sub-category of the Company	Indian Non-Government company		
V Whether company is having share capital	Yes		
Vi *Whether shares listed on recognized Stock Exchange(s)	Yes		
(a) Details of stock exchanges where shares are listed	S. No	Stock Exchange Name	Code
(b) CIN of the Registrar and Transfer Agent	1	BSE Limited	1
Name of the Registrar and Transfer Agent	U67190MH1999PTC118368		
Registered office address of the Registrar and Transfer Agents	LINK INTIME INDIA PRIVATE LIMITED C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai City Maharashtra 400083 (01/04/2020) To (31/03/2021)		
Vii *Financial year From			
Vii *Whether Annual General Meeting (AGM) held	No		
(a) If yes, date of AGM			
(b) Due date of AGM	30/09/2021		
(c) Whether any extension for AGM granted	No		
(d) If yes, provide the Service Request Number (SRN) of the application form filed for extension			
(e) Extended due date of AGM after grant of extension			
(f) Specify the reasons for not holding the same	The AGM will be held on its due date.		

## OSWAL YARNS LIMITED

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

\*Number of business activities .....

S. No.	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% of turnover of the company
1	C	Manufacturing	C2	Textile, leather and other apparel products	99.63

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

\*No. of Companies for which information is to be given

S. No.	Name of the company	CIN / FCRN	Holding/ Subsidiary/Associate/ Joint venture	% of shares held
		Not Applicable		

### IV. SHARE CAPITAL, DEBENTURES AND OTHER SECURITIES OF THE COMPANY

#### i) Share Capital

##### a) Equity share capital

Particulars	Authorised Capital	Issued capital	Subscribed capital	Paid Up capital
Total number of equity shares	4,250,000	4,010,000	4,010,000	4,010,000
Total amount of equity shares (in rupees)	42,500,000	40,100,000	40,100,000	40,100,000

Number of classes: 1

Class of Shares	Authorised Capital	Issued capital	Subscribed capital	Paid Up capital
Number of equity shares	4,250,000	4,010,000	4,010,000	4,010,000
Nominal value per share (in rupees)	10	10	10	10
Total amount of equity shares (in rupees)	42,500,000	40,100,000	40,100,000	40,100,000

##### (b) Preference share capital

Particulars	Authorised Capital	Issued capital	Subscribed capital	Paid Up capital
Total number of preference shares	0	0	0	0
Total amount of preference shares (in rupees)	0	0	0	0

## OSWAL YARNS LIMITED

Number of classes : Nil

Class of Shares	Authorised Capital	Issued capital	Subscribed capital	Paid Up capital
Number of preference shares				
Nominal value per share (in rupees)	0	0	0	0
Total amount of preference shares (in rupees)	0	0	0	0

(C) Unclassified share capital

Particulars	Authorised Capital
Total amount of unclassified shares	0

**(D) Break-up of paid-up share capital**

Class of Shares	Number of shares			Total Nominal Amount	Total Paid -up amount	Total premium
	Physical	Demat	Total			
<b>Equity shares</b>						
At the beginning of the year	3615600	394400	4010000	40100000	40100000	
<b>Increase during the year</b>	0	1400	1400			
i. Public Issues	0	0	0	0	0	0
ii. Rights issue	0	0	0	0	0	0
iii. Bonus issue	0	0	0	0	0	0
iv. Private Placement/ Preferential allotment	0	0	0	0	0	0
v. ESOPs	0	0	0	0	0	0
vi. Sweat equity shares allotted	0	0	0	0	0	0
vii. Conversion of Preference share	0	0	0	0	0	0
viii. Conversion of Debentures	0	0	0	0	0	0
ix. GDRs/ADRs	0	0	0	0	0	0
x. Others, specify: Dematerialized during the year	0	1400	1400			
<b>Decrease during the year</b>	1400	0	1400			
i. Buy-back of shares	0	0	0	0	0	0
ii. Shares forfeited	0	0	0	0	0	0
iii. Reduction of share capital	0	0	0	0	0	0
iv. Others, specify: Dematerialized during the year	1400	0	1400			
At the end of the year	3614200	395800	4010000	40100000	40100000	
Preference shares						
At the beginning of the year	0	0	0	0	0	0
Increase during the year	0	0	0	0	0	0
i. Issues of shares	0	0	0	0	0	0
ii. Re-issue of forfeited shares	0	0	0	0	0	0



**OSWAL YARNS LIMITED**

iii. Others, specify	0	0	0	0	0
Decrease during the year	0	0	0	0	0
i. Redemption of shares	0	0	0	0	0
ii. Shares forfeited	0	0	0	0	0
iii. Reduction of share capital	0	0	0	0	0
iv. Others, specify	0	0	0	0	0
At the end of the year	0	0	0	0	0

ISIN of the equity shares of the company : INE670H01017.

(ii) Details of stock split/consolidation during the year (for each class of shares) Nil

Class of shares		(i)	(ii)	(iii)
Before split / Consolidation	Number of shares			
	Face value per share			
After split / consolidation	Face value per share			
	Face value per share			

(iii) Details of shares/Debentures Transfers since closure date of last financial year (or in the case of the first

return at any time since the incorporation of the company)\*

..... Nil

[Details being provided in a CD/Digital Media]  Yes  No  Not applicable

Separate sheet attached for details of transfers  Yes  No

Note: In case list of transfer exceeds 10, option for submission as a separate sheet attachment or submission in a CD/Digital Media may be shown.

Date of Previous AGM

Date of Registration of Transfer

Type of transfer

- 1- Equity
- 2- Preference Share
- 3- Debentures
- 4- Stock

Number of Shares/Debentures/Units Transferred

Amount per Shares/Debentures/Units (in Rs.)

Ledger Folio of Transferor

Transferor's Name

First Name :-

Middle Name :-

Surname :-

Ledger Folio of Transferee

Transferee's Name

First Name :-

Middle Name :-

Surname :-

## OSWAL YARNS LIMITED

iv) \*Debentures (Outstanding as at the end of financial year)

Particulars	Number of units	Nominal value per unit	Total value
Non-convertible debentures			
Partly convertible debentures			
Fully convertible debentures			
Total			

Details of debentures

Class of Debentures	Outstanding as at the beginning of the year	Increase during the year	Decrease during the year	Outstanding as at the end of the year
Non-convertible debentures				
Partly convertible debentures				
Fully convertible debentures				

(v) Securities (other than shares and debentures)

Type of Securities	Number of Securities	Nominal Value of each Unit	Total Nominal Value	Paid up Value of each Unit	Total Paid up Value
--------------------	----------------------	----------------------------	---------------------	----------------------------	---------------------

Total

V. \*Turnover and net worth of the company (as defined in the Companies Act,2013)

(i) Turnover Rs. 36673743

(ii) Net worth of the Company Rs. 37331521.94

(a) \*SHARE HOLDING PATTERN - Promoters

S. No.	Category	Equity Number of	Percentage	Preference Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	1815328	45.27	0	
	(ii) Non-resident Indian (NRI)	0	0	0	
	(iii) Foreign national (other than NRI)	0	0	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	

## OSWAL YARNS LIMITED

8.	Venture capital	0	0	0
9.	Body corporate (not mentioned above)	0	0	0
10.	Others	0	0	0
Total	1	815328	45.27	0

Total number of shareholders (promoters): 7

(b) \*SHARE HOLDING PATTERN - Public/Other than promoters

S. No.	Category	Equity Number of shares	Percentage	Preference Number of shares	Percentage
1.	Individual/Hindu Undivided Family				
	(i) Indian	1984758	49.50	0	
	(ii) Non-resident Indian (NRI)	18000	0.45	0	
	(iii) Foreign national (other than NRI)	163900	4.09	0	
2.	Government				
	(i) Central Government	0	0	0	
	(ii) State Government	0	0	0	
	(iii) Government companies	0	0	0	
3.	Insurance companies	0	0	0	
4.	Banks	0	0	0	
5.	Financial institutions	0	0	0	
6.	Foreign institutional investors	0	0	0	
7.	Mutual funds	0	0	0	
8.	Venture capital	0	0	0	
9.	Body corporate (not mentioned above)	26603	0.66	0	
10.	Others: Clearing Members	1411	0.04		
Total		2,194,672	54.74	0	

Total number of shareholders (other than promoters): 14552

Total number of shareholders (Promoters + Public/Other than promoters) 14559

c) \* Details of Foreign institutional investors' (FIIs) holding shares of the company 0

Name of the FII	Address	Date of Incorporation	Country of Incorporation	Number of shares held	% of shares held

VII. \*NUMBER OF PROMOTERS, MEMBERS, DEBENTURE HOLDERS

Details	At the beginning of the year	At the end of the year
Promoters	7	7
Members (other than promoters)	14517	14559
Debenture holders	0	0

## OSWAL YARNS LIMITED

### VIII. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### (A) \*Composition of Board of Directors

Category	Number of directors at the beginning of the year		Number of directors at the end of the year		Percentage of shares held by directors as at the end of year	
	Executive	No	Executive	Non Executive	Executive	Non Executive
A. Promoter	2	1	2	1	29.05	0
B. Non-Promoter	0	2	0	2	0	0
(i) Non-Independent	0	1	0	1	0	0
(ii) Independent	0	1	0	1	0	0
C. Nominee Directors	0	0	0	0	0	0
representing						
(i) Banks and FIs	0	0	0	0	0	03
(ii) Investing institutions	0	0	0	0	0	0
(iii) Government	0	0	0	0	0	0
(iv) Small share holders	0	0	0	0	0	0
(v) Others	0	0	0	0	0	0
Total	2	3	2	3	29.05	0

Number of Directors on the financial year 2020-21 and Key managerial personnel (who is not director) as end date: 7

#### (B) (i) \*Details of directors and Key managerial personnel as on the closure of financial year

Name	DIN/PAN	Designation	Number of equity shares held	Date of cessation (after closure of financial year : If any)
TEJ PAUL OSWAL	00781144	Managing Director	886100	
BHARATT OSWAL	00469332	Whole-time Director	278600	
KULWANT RAI DHAWAN	00781090	Director	0	
VAMA OSWAL	08264613	Director	0	
NIPUN VYAS	09034734	Additional Director	0	
CHETNA NARANG	BNAPN4349B	Company Secretary	0	
BANSI LAL BHAT	ALRPB0894R	CFO	0	

#### (ii) Particulars of change in director(s) and Key managerial personnel during the Year 4

Name	DIN/PAN	Designation at the beginning / during the financial year	Date of appointment / change in designation/ cessation	Nature of change (Appointment/ Change in designation/ Cessation)
SURINDER KUMAR GARG	01482096	Director	13/07/2020	Cessation
MANI	DAEPM5843J	Company Secretary	07/01/2021	Cessation
CHETNA NARANG	BNAPN4349B	Company Secretary	07/01/2021	Appointment
NIPUN VYAS	09034734	Additional Director	04/03/2021	Appointment

## OSWAL YARNS LIMITED

### IX. MEETINGS OF MEMBERS/CLASS OF MEMBERS/BOARD/COMMITTEES OF THE BOARD OF DIRECTORS

#### A. MEMBERS/CLASS /REQUISITIONED/CLB/NCLT/COURT CONVENED MEETING

Number of meetings held: 1

Type of meeting	Date of meeting	Total Number of Members entitled to attend meeting	Attendance	
Annual General Meeting	30/09/2020	14579	34	0.19

#### B. BOARD MEETINGS

\*Number of meetings held: 8

S. No.	Date of meeting	Total Number of directors as on the date of meeting	Attendance Number of directors attended	% of attendance
1	29/06/2020	5	4	80
2	20/07/2020	4	4	100
3	28/07/2020	4	4	100
4	20/08/2020	4	4	100
5	28/10/2020	4	4	100
6	07/01/2021	4	4	100
7	28/01/2021	4	4	100
8	04/03/2021	4	4	100

#### C. COMMITTEE MEETINGS

Number of meetings held: 10

S. No.	Type of meeting	Date of meeting	Total Number of Members as on the date of meeting	Attendance Number of	% of attendance
1	Audit Committee	29/06/2020	3	2	66.67
2	Audit Committee	28/07/2020	3	3	100
3	Audit Committee	28/10/2020	3	3	100
4	Audit Committee	28/01/2021	3	3	100
5	Nomination & Remuneration Committee	07/01/2021	3	3	100
6	Nomination & Remuneration Committee	04/03/2021	3	3	100
7	Stakeholder Relationship Committee	29/06/2020	3	2	66.67
8	Stakeholder Relationship Committee	28/07/2020	3	3	100
9	Stakeholder Relationship Committee	28/10/2020	3	3	100
10	Stakeholder Relationship Committee	28/01/2021	3	3	100

## OSWAL YARNS LIMITED

### D. \*ATTENDANCE OF DIRECTORS

S. No.	Name of the Director	Board Meetings Number of Meetings which director was entitled to attend	Number of Meetings attended	Committee Meetings		Whether attended		AGM held on (Y/N/NA)
				% of attendance	Number of Meetings which director was entitled to attend	Number of Meetings attended	% of attendance	
1	TEJ PAUL OSWAL	8	8	100	4	4		100
2	BHARATT OSWALL	8	8	100	5	5		100
3	KULWANT RAI DHAWAN	8	8	100	10	10		100
4	VAMA OSWAL	8	8	100	9	9		100
5	NIPUN VYAS	0	0	0	0	0		0

### X. \*REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Number of Managing Director, Whole-time Directors and/or Manager whose remuneration details to be entered 1

S. No	Name	Designation	Gross salary	Commission	Stock Option / Sweat equity	Others	Total Amount
1.	BHARATT OSWALL	Whole-time Director	116165	0	0	0	116165
	Total		116165	0	0	0	116165

B. Number of CEO, CFO and Company secretary whose remuneration details to be entered: 3

S No	Name	Designation	Gross salary	Commission	Stock Option / Sweat equity	Others	Total Amount
1.	JATIN KUMAR	Company Secretary	90106	0	0	0	90106
2.	CHETNA NARANG	Company Secretary	39749	0	0	0	39749
3.	BANSI LAL BHAT	Chief Financial Officer	153858	0	0	0	153858
	Total		283713	0	0	0	283713

C. Number of other directors whose remuneration details to be entered 0

S.No	Name	Designation	Gross salary	Commission	Stock Option / Sweat equity	Others	Total Amount
	Total						

1.

### XI. MATTERS RELATED TO CERTIFICATION OF COMPLIANCES AND DISCLOSURES

A. \*Whether the company has made compliances and disclosures in respect of applicable provisions of the Companies Act, 2013 during the year  Yes

B. If No, give the reasons/observations

### XII. PENALTY AND PUNISHMENT - DETAILS THEREOF

(A) DETAILS OF PENALTIES / PUNISHMENT IMPOSED ON COMPANY/DIRECTORS /OFFICERS

..... Nil .....

(B) DETAILS OF COMPOUNDING OF OFFENCES Nil

XIII. Whether complete list of shareholders, debenture holders has been enclosed as an attachment  No  
(In case of 'No?', submit the details separately through the method specified in instruction kit)

### XIV. COMPLIANCE OF SUB-SECTION (2) OF SECTION 92, IN CASE OF LISTED COMPANIES

In case of a listed company or a company having paid up share capital of Ten Crore rupees or more or turnover of Fifty Crore rupees or more, details of company secretary in whole time practice certifying the annual return in

Form MGT-8.

Name: Vikas Rai Berry

Whether associate or fellow : Fellow

Certificate of practice number: 4013.

I/We certify that:

- a) The return states the facts, as they stood on the date of the closure of the financial year aforesaid correctly and adequately.
- b) Unless otherwise expressly stated to the contrary elsewhere in this return, the Company has complied with applicable provisions of the Act during the financial year.
- c) The company has not, since the date of the closure of the last financial year with reference to which the last return was submitted or in the case of a first return since the date of incorporation of the company, issued any invitation to the public to subscribe for any securities of the company
- d) the annual return discloses the fact that the number of members, (except in case of one person company), of the company exceeds two hundred, the excess consists wholly of persons who under second proviso to clause (ii) of sub-section (68) of section 2 of the Act are not to be included in reckoning the number of two hundred.

**DECLARATION**

I am authorised by the Board of Directors of the company ..... vide resolution no. dated ..... (DD/MM/YYYY) to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made there under in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

- 1. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
- 2. All the required attachments have been completely and legibly attached to this form.

Note: Attention is also drawn to the provisions of section 447, sections 448 and 449 of the Companies, Act, 2013 which provide for punishment for fraud, punishment for false statement and punishment for false evidence respectively.

To be signed by

Director

DIN of the director: 00469332

To be signed by

Company Secretary

Company Secretary in practice

Membership number ..... Certificate of practice number .....

**Annexure-2**  
**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY**  
**ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**  
[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the  
Companies (Accounts) Rules, 2014]

**A. Conservation of Energy:**

**Steps Taken or impact on conservation of energy:**

Energy conservation continues to be priority area of the management of your company. Steps taken in this regard includes stress on preventative maintenance, plugging of leakages and replacement of worn out wires.

**Steps taken for utilizing alternate sources of energy**

No such steps were taken. However LED lights and the improvised ventilation system facilitate form part of steps taken for source of energy.

**Capital Investment on Energy Conservation Equipments**

No capital investment has been made on energy conservation equipments

**Total energy consumption is given below:**

**Power and Fuel Consumption:**

Description	Financial Year 2020-21	Financial Year 2019-20
Electricity Purchase Units (KWH)	67442	79800
Total Amount (Rs.)	693627	792430
Rate/Unit (Rs.)	10.28	9.93
Own Generation/Steam Oil	Nil	Nil

**B. Technology Absorption:**

The technology used by the company is completely indigenous. It is continuously upgraded by inhouse efforts for product improvement and cost effectiveness.

No technology has been imported.

**C. Foreign Exchange Earning and Outgo**

There has not been any foreign exchange earning and outgo

Place: Ludhiana  
Date: 13.08.2021

Sd/-  
(Bharatt Oswal)  
WHOLE TIME DIRECTOR  
(DIN: 00469332)

For & On Behalf of Board of Directors  
For Oswal Yarns Limited  
Sd/-  
(Tej Paul Oswal)  
Managing Director  
(DIN: 00781144)



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2021**  
**[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]**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Oswal Yarns Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under are not attracted during the audit period as there was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings as informed to us.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable as the Company has not raised any capital during the year;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable as the Company has not done any buy-back during the year.

I have also examined compliance with the applicable clauses of the following:  
Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above and there is an adequate compliance management system for the purpose of other applicable laws i.e. Labour Laws and Environmental Laws. I have relied on the representations made by the Company and its officers for compliance of other applicable laws and Regulations and for the systems and mechanisms formed by the Company for compliances of these Laws.

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 are carried out in compliance with the provisions of the Act.

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

All the decisions of the Board of Directors are approved unanimously or by majority and same are captured and recorded as part of the minutes.

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

I further report that BSE Limited has initiated insolvency proceedings against the Company in the Hon'ble National Company Law Tribunal. The matter is subjudice therefore; no further comments can be made on the same.

For Vikas Rai Berry  
Practicing Company Secretaries

Place: Ludhiana  
Date: 13.08.2021

Sd/-  
Vikas Rai Berry  
Prop.  
FCS No. 4013  
CP No. 12365  
UDIN: F004013B000600477

**Annexure A to Secretarial Audit Report**

To  
The Members  
Oswal Yarns Limited  
Ludhiana

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. I have followed the audit practices and processes as I deem appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of Financial records and books of accounts of the Company.
4. Wherever 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. Our examination was limited to the verification of procedure on test basis and where ever required, I have obtained and relied on the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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. During the course of my examination of the books and records of the Company carried out in accordance with generally accepted practices in India, I have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed me of any such case.

For Vikas Rai Berry  
Practicing Company Secretaries

Place: Ludhiana  
Date: 13.08.2021

Sd/-  
Vikas Rai Berry  
Prop.  
FCS No. 4013  
CP No. 12365  
UDIN: F004013B000600477

**Annexure-4  
FORM NO. AOC -2**

**(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

**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 transaction under third proviso thereto.**

- 1. Details of contracts or arrangements or transactions not at arm's length basis:  
During the Financial Year 2020-21, the Company had not entered into any contract/ arrangement/ transaction with its related parties which is not at arm's length basis.**
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts/arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - (f) Date of approval by the Board: Not Applicable
  - (g) Amount paid as advances, if any: Not Applicable
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable
  
- 2. Details of material contracts or arrangement or transactions at arm's length basis:  
All the transactions entered into by the Company with its related parties, during the year under review were in the "ordinary course of the business" and on "an arm's length basis", none of which was "material" in value.**
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts/arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Date(s) of approval by the Board, if any: Not Applicable
  - (f) Amount paid as advances, if any: Not Applicable

For & On Behalf of Board of Directors  
For Oswal Yarns Limited

Sd/-  
(Bharatt Oswal)

WHOLE TIME DIRECTOR  
(DIN: 00469332)

Sd/-  
(Tej Paul Oswal)  
Managing Director  
(DIN: 00781144)

Place: Ludhiana  
Date: 13.08.2021

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF OSWAL YARNS LIMITED  
OPINION**

We have audited the accompanying financial statements of OSWAL YARNS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021 and its Profit and its Cash Flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

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

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

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Thus, Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

**Report on Other Legal and Regulatory Requirements**

1. 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 B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) in our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of written representations received from the directors as on March 31st, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2021, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) As With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - 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
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivatives contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Company.

Place Ludhiana  
Dated 28.06.2021

For S.H.S.P. & ASSOCIATES  
Chartered Accountants  
FRN:004267N  
Sd/-  
Hari Pal Gupta  
Place: - Ludhiana Partner  
Dated: - M.No: 088848

**Annexure A to Independent Auditors' Report**

(Referred to in paragraph [2 (f)] under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Oswal Yarns Limited)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We were engaged to audit the internal financial controls over financial reporting of Oswal Yarns Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, 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 31 March 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: - Ludhiana  
Dated: 28.06.2021

For S.H.S.P. & Associates.  
Chartered Accountants  
FRN:004267N  
Hari Pal Gupta  
Partner  
M.No: 088848



**Annexure B to Independent Auditors' Report**

(Referred to in paragraph [1] under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Oswal Yarns Limited)

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note [3] to the financial statements, are held in the name of the Company.
- ii. The inventory have been conducted at reasonable intervals by the Management during the year. There were no material discrepancies noticed on physical verification of inventory as compared to book records.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, other parties covered in the register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the 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 other material statutory dues, as applicable, with the appropriate authorities.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 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 have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any 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/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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**OSWAL YARNS LIMITED**

- xii. As the Company is not a Nidhi Company. Therefore provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 of the Act. The Company does not have any transactions with related parties under the provisions of Section 188 of the Act. Accordingly, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non cash transactions with its directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place: Ludhiana  
Dated: 28.06.2021

For S.H.S.P. & ASSOCIATES.  
Chartered Accountants  
FRN:004267N  
Sd/-  
Hari Pal Gupta  
Partner  
M.No: 088848

## OSWAL YARNS LIMITED

### Balance Sheet as at 31st March 2021

Amount in Rs.

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	5,221,105.07	5,436,875.07
(b) Capital work-in-progress		-	-
(c) Financial Assets			
(i) Trade receivables		-	-
(ii) Loans		-	-
(iii) Other financial assets	4	248,276.00	248,276.00
(d) Deferred tax assets (net)		-	-
(e) Other non-current assets		-	-
		<b>5,469,381.07</b>	<b>5,685,151.07</b>
<b>Current assets</b>			
(a) Inventories	5	30,921,951.32	24,551,840.92
(b) Financial Assets			
(i) Trade receivables	6	7,599,471.33	16,351,461.33
(ii) Cash and cash equivalents	7	1,221,453.48	707,253.04
(iii) Bank balances other than (ii) above		-	-
(iv) Other financial assets		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	8	262,582.00	40,005,458.13
		<u>272,831.00</u>	<u>41,883,386.29</u>
		<b>45,474,839.20</b>	<b>47,568,537.36</b>
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9	40,100,000.00	40,100,000.00
(b) Other Equity	10	(2,768,478.06)	37,331,521.94
			<u>(2,852,541.61)</u>
			37,247,458.39
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	1,930,651.36	929,087.63
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions	12	456,402.00	385,543.00
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	2,387,053.36
			1,314,630.63
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	1,036,443.58	2,222,719.69
(ii) Trade payables	14	4,084,127.00	6,107,605.00
(iii) Other financial liabilities	15	584,039.32	634,827.65
(b) Other current liabilities	16	39,403.00	23,721.00
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)	17	12,251.00	5,756,263.90
			<u>17,575.00</u>
		<b>5,756,263.90</b>	<b>9,006,448.34</b>
		<b>45,474,839.20</b>	<b>47,568,537.36</b>

The accompanying Significant Accounting Policies and Notes forms an integral part of the Financial Statements

AUDITORS' REPORT In terms of our Report of even date.

FOR S.H.S.P. & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(HARI PAL GUPTA)  
PARTNER  
Membership No. : 088848  
Firm Reg. No. : 004267N  
PLACE : LUDHIANA  
DATED : 28-06-2021

Sd/-  
(TEJ PAUL OSWAL)  
MANAGING DIRECTOR  
(DIN: 00781144)

for and on behalf of the Board  
OSWAL YARNS LIMITED  
Sd/-  
(BHARATT OSWAL)  
WHOLE TIME DIRECTOR  
(DIN: 0469332)

**OSWAL YARNS LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2021****Amount in Rs.**

Particulars	Note No.	For the period ended 31.03.2021	For the period ended 31.03.2020
<b>INCOME</b>			
Revenue From Operations	18	36,673,743.00	31,458,109.00
Other Income	19	146,237.37	11,638.00
<b>Total Income</b>		<b>36,819,980.37</b>	<b>31,469,747.00</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	2,358,337.30	3,638,784.10
Purchase of Stock-in-Trade		37,912,204.29	31,307,847.94
Changes in inventories of finished goods and work-in-progress	21	(7,592,442.80)	(7,501,100.36)
Employee benefits expense	22	1,488,315.00	1,335,356.00
Finance costs	23	646,399.32	450,098.95
Depreciation expense	24	358,126.00	314,559.00
Other expenses	25	1,686,793.71	2,011,200.92
<b>Total Expenses</b>		<b>36,857,732.82</b>	<b>31,556,746.55</b>
<b>Profit before exceptional items and tax</b>		(37,752.45)	(86,999.55)
Exceptional Items			
Add : Profit on Sale of Tangible Fixed Assets		153,391.00	16,500.00
<b>Profit before tax</b>		115,638.55	(70,499.55)
<b>Less: Tax expense:</b>			
(1) Current tax		39,650.00	29,354.00
(2) Deferred tax		-	-
<b>Profit for the year</b>		<b>75,988.55</b>	<b>(99,853.55)</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the period		-	-
<b>Total Comprehensive Income for the period</b>		<b>75,988.55</b>	<b>(99,853.55)</b>
<b>Earnings per equity share:</b>	26		
(Nominal value of equity share - ` 10/-)			
Basic		0.02	(0.02)
Diluted		0.02	(0.02)
AUDITORS' REPORT In terms of our Report of even date.			
FOR S.H.S.P. & ASSOCIATES		for and on behalf of the Board	
CHARTERED ACCOUNTANTS		OSWAL YARNS LIMITED	
Sd/-	Sd/-	Sd/-	
(HARI PAL GUPTA)	(TEJ PAUL OSWAL)	(BHARATT OSWALL)	
PARTNER	MANAGING DIRECTOR	WHOLE TIME DIRECTOR	
Membership No. : 088848	(DIN: 00781144)	(DIN: 0469332)	
Firm Reg. No.: 004267N			
PLACE : LUDHIANA			
DATED : 28-06-2021			

**Significant Accounting Policies****1 General Information**

Oswal Yarns Limited is engaged in manufacturing and trading of Yarn and Cloth. The Company is a public limited company incorporated and domiciled in India and has its registered office at Oswal House, Link Road, Industrial Area A, Ludhiana, Punjab 141003. The Company has its listings on BSE Limited.

**2 Significant Accounting Policies**

**Following significant accounting policies are being followed by the company:-**

**a) Basis of preparation and presentation of financial statements**

"These financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read along with Companies (Indian Accounting Standards) Rules as amended and other provisions of the Act. The company has adopted Ind AS with April 1, 2016 as the transition date and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs, except otherwise indicated.

**b) Inventories**

Raw materials, work-in-progress, finished goods, stores & spares have been valued at cost or net realizable value whichever is lower. The cost in respect of various items of inventory is computed as under :

- Raw materials at actual cost plus direct expenses incurred to bring the stock at its present position and location excluding any taxes.
- Work-in-progress at raw material cost plus conversion cost depending upon the stage of completion.
- Finished goods at raw material cost plus conversion cost incurred to bring the goods up to their present condition and location.
- Stores & spares at actual cost plus direct expenses incurred to bring the stock at its present position and location excluding any taxes
- Waste has been valued at net realizable value.

**c) Revenue Recognition**

Sale of Products & services: Sales are recognised when all the significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

**d) Fixed Assets**

"On adoption of Ind AS the company retained the carrying value of all its property plant and equipment as recognized in financial statement as at the date of transition to Ind AS measured as per previous GAAP and used that as deemed cost as permitted by Ind AS 101. Fixed Assets have been stated at cost including any attributable costs relating to acquisition and installation thereof and duties and taxes less any tax credits, if any, and less depreciation up to date. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets are recognised in the Statement of Profit and Loss. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress

**e) Depreciation**

Depreciation on fixed assets has been provided on written down value method on the basis of useful life and in the manner specified in Schedule - II to the Companies Act, 2013

**f) Earnings Per Share**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**g) Impairment of Assets**

The Company has considered all the external sources of information and internal sources of information indicating whether an individual asset or a cash-generating unit of the company has impaired. On the basis of those sources of information, no indication of a potential impairment loss is present, as such no formal estimate of recoverable amount has been made at the balance sheet date.

**h) Employee Benefits****(i) Provident Fund and ESI**

Contribution to Provident Fund and ESI is made in accordance with the provisions of their respective acts and is recognised in the statement of profit & loss.

**(ii) Leave with Wages**

Provision for leaves, if any, is made on the basis of leaves accrued to the employees during the year.

**(iii) Gratuity**

Liability for gratuity is provided through a policy taken from Life Insurance Corporation of India (LIC) by a trust formed for the purpose. The liability is provided on the basis of actuarial valuation made by LIC as at the close of the year to cover the year's liability and such liability is charged to the profit and loss account

**i) Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**j) Accounting for Taxes on Income**

Tax Expense comprise current and deferred tax. Provision for current tax is made in accordance with the provisions of Income Tax Act, 1961. Deferred Tax resulting from timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty by convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

k) Accounting policies not specifically referred to are consistent with generally accepted accounting practices

**For and on behalf of the Board of  
OSWAL YARNS LIMITED**

Sd/-

**(TEJ PAUL OSWAL)  
MANAGING DIRECTOR  
(DIN: 00781144)**

**(BHARAT OSWALL)  
WHOLE TIME DIRECTOR  
(DIN: 00469332)**

## OSWAL YARNS LIMITED

### ASSETS

#### Non-Current Assets

#### 3. Property, Plant and Equipment

Description of assets	Gross carrying amount			Depreciation			Net carrying amount			
	As at 01.04.2020	Additions during the period	Disposals	As at 31.03.2021	Opening accumulated depreciation	Depreciation for the period	Eliminated on disposal of assets	Closing accumulated depreciation	As at 31.03.2021	As at 31.03.2020
Freehold land	2,021,309.00	-	-	2,021,309.00	-	-	-	-	2,021,309.00	2,021,309.00
Buildings	2,723,751.00	5,03,465.00	-	3,227,216	22,44,598.54	86,779.00	-	23,31,377.54	8,95,838.46	4,79,152.46
Plant and Equipment	29,910,175.00	25,500.00	75,07,015.00	2,24,28,660.00	2,83,30,192.37	14,132.00	71,20,406.00	2,12,23,918.37	12,04,741.63	15,79,982.63
Furniture and Fixtures	57,527.72	-	-	57,527.72	54,651.08	-	-	54,651.08	2,876.64	2,876.64
Vehicles	38,35,030.06	-	-	3,835,030.06	24,81,475.72	2,57,215.00	-	27,38,690.72	10,96,339.34	13,53,554.34
<b>Total</b>	<b>3,85,47,792.78</b>	<b>5,28,965.00</b>	<b>75,07,015.00</b>	<b>3,15,69,742.78</b>	<b>3,31,10,917.71</b>	<b>3,58,126.00</b>	<b>71,20,406.00</b>	<b>2,63,48,637.71</b>	<b>52,21,105.07</b>	<b>54,36,875.07</b>
Previous year's Total	37,402,753.78	11,45,039.00	-	3,85,47,792.78	3,27,96,358.71	3,14,559.00	-	3,31,10,917.71	54,36,875.07	46,06,395.07

Description of assets	Gross carrying amount			Depreciation			Net carrying amount			
	As at 01.04.2019	Additions during the period	Disposals	As at 31.03.2020	Opening accumulated depreciation	Depreciation for the period	Eliminated on disposal of assets	Closing accumulated depreciation	As at 31.03.2020	As at 31.03.2019
Land	2,021,309.00	-	-	2,021,309.00	-	-	-	-	2,021,309.00	2,021,309.00
Buildings	2,723,751.00	-	-	2,723,751.00	21,58,928.54	85,670.00	-	22,44,598.54	4,79,152.46	564,822.46
Plant and equipment	29,910,175.00	-	-	29,910,175.00	2,83,16,060.37	14,132.00	-	2,83,30,192.37	15,79,982.63	1,594,114.63
Furniture and fixtures	57,527.72	-	-	57,527.72	54,651.08	-	-	54,651.08	2,876.64	2,876.64
Vehicles	2,689,991.06	11,45,039.00	-	38,35,030.06	22,66,718.72	2,14,757.00	-	24,81,475.72	13,53,554.34	4,23,272.34
<b>Total</b>	<b>3,74,02,753.78</b>			<b>3,85,47,792.787</b>	<b>3,27,96,358.71</b>	<b>3,14,559.00</b>		<b>3,31,10,917.71</b>	<b>54,36,875.07</b>	<b>46,06,395.07</b>

As per our report of even date.  
FOR S.H.S.P. & ASSOCIATES  
CHARTERED ACCOUNTANTS

for and on behalf of the Board  
OSWAL YARNS LIMITED

Sd/-  
(HARI PAL GUPTA)  
PARTNER  
Membership No. : 088848  
Firm Reg. No.: 004267N  
PLACE : LUDHIANA  
DATED : 28.06.2021

Sd/-  
(TEJ PAUL OSWAL)  
MANAGING DIRECTOR  
(DIN: 00781144)

Sd/-  
(BHARATT OSWAL)  
WHOLE TIME DIRECTOR  
(DIN: 00469332)

## OSWAL YARNS LIMITED

	<u>As at</u> <u>31.03.2021</u>	<u>As at</u> <u>31.03.2020</u>
<b>4. Other financial assets</b>		
Financial assets at amortized cost		
Security Deposits (secured, considered good)	248,276.00	248,276.00
<b>Total</b>	<b>248,276.00</b>	<b>248,276.00</b>
Current Assets		
<b>5. Inventories</b>		
(Refer note no. 2 (b) for mode of valuation)		
Raw materials	519,388.60	1,702,752.00
Work-in-progress	521,161.50	398,801.00
Finished goods	7,574,807.50	8,162,903.92
Stores and spares	26,241.00	65,210.00
Trading Goods	22,280,352.72	14,222,174.00
<b>Total</b>	<b>30,921,951.32</b>	<b>24,551,840.92</b>
<b>6. Trade receivables</b>		
(unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	6,321,327.33	8,035,555.33
Outstanding for a period not exceeding six months from the date they are due for payment	1,278,144.00	8,315,906.00 3
<b>Total</b>	<b>7,599,471.33</b>	<b>16,351,461.33</b>
<b>7. Cash and cash equivalents</b>		
Balances with Banks		
- in current/ cash credit accounts	-	11,983.56
Cheques, drafts on hand	19,600.00	-
Cash on hand	1,201,853.48	695,269.48
<b>Total</b>	<b>1,221,453.48</b>	<b>707,253.04</b>
<b>8 Other current assets</b>		
<b>Advances other than capital advances</b>		
Advances to suppliers of goods and services (unsecured, considered good)	-	30,000.00.
Other advances	30,986.00	43,319.00
Taxes and duties recoverable/ refundable	217,203.00	178,787.00
Prepaid expenses	14,393.00	20,725.00
<b>Total</b>	<b>262,582.00</b>	<b>272,831.00</b>



## OSWAL YARNS LIMITED

### 9. Equity Share Capital

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of ` 10/- each	4250000	42,500,000.00	4250000	42,500,000.00
<b>Total</b>		<b>42,500,000.00</b>		<b>42,500,000.00</b>
Issued				
Equity shares of ` 10/- each	4010000	40,100,000.00	4010000	40,100,000.00
<b>Total</b>		<b>40,100,000.00</b>		<b>40,100,000.00</b>
Subscribed and fully paid				
Equity shares of ` 10/- each	4010000	40,100,000.00	4010000	40,100,000.00
<b>Total</b>		<b>40,100,000.00</b>		<b>40,100,000.00</b>

#### Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the period:

Equity shares of `10/-each:

Particulars	Number of shares	Amount	Number of shares	Amount
Number of shares and amount at the beginning of the period	4010000	40100000	4010000	40100000
Change in number of shares and amount during the period	-	-	-	-
Number of shares and amount at the end of the period	4010000	40100000	4010000	40100000

**The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution and repayment of capital:** Equity Shares: The company has one class of equity shares having a par value of Rs. 10 per share. Every member present in person at a general meeting shall have one vote by a show of hand and on a poll every member shall have one vote in respect of each share held by such member. In the event of liquidation the equity shareholders are eligible to remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

Shares in the company held by each shareholder holding more than 5 percent shares

Name of the shareholder	Number of shares	%held	Number of Shares	%held
<b>Name of the shaes of `10/- each</b>	-	-	-	-
Tej Paul Oswal	886100	22.10	886100	22.10
Bharatt Oswal	278600	6.95	278600	6.95
Yashovardhan Oswal	361078	9.00	361078	9.00

### 10 Other Equity

Particulars	As at 31.03.2021	As at 31.03.2020
<b>a. Retained Earnings</b>		
Balance at the beginning of the period	(2,852,541.61)	(2,730,415.08)
Add: Profit for the period	75,988.55	(99,853.55)
Less:- Income Tax for earlier years	8,075.00	(22,272.98)
Balance at the end of the period	<b>(2,768,478.06)</b>	<b>(2,852,541.61)</b>
<b>Total</b>	<b>(2,768,478.06)</b>	<b>(2,852,541.61)</b>

## OSWAL YARNS LIMITED

	As at 31.03.2021	As at 31.03.2020
<b>Non Current liabilities</b>		
<b>11. Borrowings</b> Secured (*) Term loans from Banks		
HDFC Bank Car Loan	4,96,409.36	6,69,845.63

**Nature of security & Terms of Repayment\***

Nature of security	Amount	Terms of Repayment
(i) Term loan facilities from HDFC Bank for the purchase of car (Honda City)	1,000,000	Repayable in 60 monthly installments of Rs.20,758/- pm. First installments due from 07.10.2019

**Unsecured**

Loans and advances from related parties	14,34,242.00	2,59,242.00
<b>Total</b>	<b><u>19,30,651.36</u></b>	<b><u>9,29,087.63</u></b>

**12. Provisions**

Provision for gratuity	4,56,402.00	3,85,543.00
<b>Total</b>	<b><u>4,56,402.00</u></b>	<b><u>3,85,543.00</u></b>

Current liabilities

**13. Borrowings**

**Secured (\*\*)**

Loan repayable on demand from bank (cash credit)	10,36,443.58	22,22,719.69
<b>Total</b>	<b><u>10,36,443.58</u></b>	<b><u>22,22,719.69</u></b>

**(\*\*) Nature of security and guarantee by directors or others:** Working capital limits are repayable on demand and secured by hypothecation of stocks of raw material, semi-finished, finished goods, and receivables, and collaterally secured by equitable mortgage of factory land & building in the name of company. Further secured by personal guarantee of one of the directors.

Default in payment of Interest : NIL (Previous year: NIL), Period of continuing default in payment of interest : NIL (Previous Year: NIL)

**14. Trade payables**

Micro, small and medium enterprises (***)	3,993,634.00	5,994,434.00
Others	90,493.00	2,113,971.00
<b>Total</b>	<b><u>4,084,127.00</u></b>	<b><u>8,108,405.00</u></b>

**15. Other financial liabilities**

Current maturities of long-term debt

HDFC Bank Limited	249,096.00	249,096.00
Employees liabilities	200,139.00	198,279.00
Accrued expenses	134,804.32	187,452.65

<b>Total</b>	<b><u>584,039.32</u></b>	<b><u>634,827.65</u></b>
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## OSWAL YARNS LIMITED

	As at 31.03.2021	As at 31.03.2020
<b>16 Other current liabilities</b>		
a. Current maturities of long-term debt		
HDFC Bank Limited	39,403.00	23,721.00
Statutory Liabilities		
<b>Total</b>	<b>39,403.00</b>	<b>23,721.00</b>
<b>17 Current Tax Liabilities (net)</b>		
Provision for current income tax (net of prepaid taxes)	12,251.00	29,354.00
	<b>12,251.00</b>	<b>29,354.00</b>
<b>18 Revenue From Operations</b>		
Sale of products		
Trading Goods	31,095,593.00	28,378,459.00
Manufactured goods	5,578,150.00	3,079,650.00
	<b>36,673,743.00</b>	<b>31,458,109.00</b>
<b>19 Other income</b>		
Interest income	8,635.00	11,638.00
Spinning Charges	134,400.00	-
Amount Written off	3,202.37	-
	<b>146,237.37</b>	<b>11,638.00</b>
<b>20 Cost of materials consumed</b>		
<b>Cost of raw materials consumed</b>		
Opening stock of raw materials	1,702,752.00	4,613,210.60
Add: purchase of raw materials	1,174,973.90	728,325.50
	2,877,725.90	5,341,536.10
<b>Less :</b>		
Sale of raw materials	-	-
Closing stock of raw materials	519,388.60	1,702,752.00
<b>Cost of materials consumed - Total</b>	<b>2,358,337.30</b>	<b>3,638,784.10</b>
<b>21 Changes in inventories of finished goods and work-in-progress</b>		
Closing inventories		
Finished goods	29,855,160.22	22,385,077.92
Work-in-progress	521,161.50	398,801.00
	<b>30,376,321.72</b>	<b>22,783,878.92</b>
<b>Opening inventories</b>		
Finished goods	22,385,077.92	15,122,758.56
Work-in-progress	398,801.00	160,020.00
	<b>22,783,878.92</b>	<b>15,282,778.56</b>
(-) Increase/ decrease in inventories of finished goods and work-in-progress		
Finished goods	-7,470,082.30	-7,262,319.36
Work-in-progress	(41)	

## OSWAL YARNS LIMITED

	As at 31.03.2021	As at 31.03.2020
Changes in inventories of finished goods and work-in-progress	-122,360.50	-238,781.00
<b>-total</b>	<b><u>-7,592,442.80</u></b>	<b><u>-7,501,100.36</u></b>
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	1,200,189.00	1,098,199.00
Contribution to provident and other funds	193,567.00	182,961.00
Gratuity expense	70,859.00	26,656.00
Staff welfare expenses	<u>23,700.00</u>	<u>27,540.00</u>
<b>Total</b>	<b><u>1,488,315.00</u></b>	<b><u>1,335,356.00</u></b>
<b>23 Finance costs</b>		
Interest	394,830.42	273,155.63
Other borrowing costs	<u>251,568.90</u>	<u>176,943.32</u>
<b>Total</b>	<b><u>646,399.32</u></b>	<b><u>450,098.95</u></b>
<b>24 Depreciation Expense</b>		
Depreciation on property, plant and equipment (refer note no. 3)	<u>3,58,126.00</u>	<u>3,14,559.00</u>
<b>Total</b>	<b><u>3,58,126.00</u></b>	<b><u>3,14,559.00</u></b>
<b>25 Other expenses</b>		
<b>Manufacturing Expenses:-</b>		
Electric Charges	693,627.00	792,430.00
Lubricant & Chemicals	122,337.00	127,394.00
Consumable Store	26,998.00	23,678.00
Packing Expenses	88,069.00	127,442.00
Freight & Cartage	45,352.00	38,320.00
Machinery Repair	4,643.00	70,648.00
Electric Repair	<u>21,533.00</u>	<u>11,947.60</u>
	1,002,559.00	1,191,859.60
Auditors remuneration	28,000.00	28,000.00
Fees and Taxes	39,579.00	50,856.65
Legal and professional charges	362,907.11	284,135.66
Printing & Stationery	1,019.00	56,767.10
Telephone Expenses	11,442.00	10,453.00
Postage & Telegramme	-	70,110.00
Insurance	52,036.00	50,673.00
News Paper & Periodicals	4,883.00	4,860.00
Vehicle Repair & Maintenance	13,435.00	18,973.00
Conveyance	84,940.00	86,250.00
Building Repair	-	36,890.00
General Expenses	24,743.60	26,386.00
General Repair	8,100.00	12,350.00
VAT Penalty & Intt.	-	2,000.00
Electricity Expenses Office	24,399.00	29,617.00
House Tax/Property Tax	28,751.00	28,760.44
Amount Written off	-	8,993.47
VAT Assessment	-	1,116.00
Computer Expenses	-	12,150.00
<b>Total</b>	<b><u>1,686,793.71</u></b>	<b><u>2,011,200.92</u></b>
<b>(42)</b>		

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**OSWAL YARNS LIMITED**

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**26 Earnings per equity share (EPS)**

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS) - 33 on "Earning Per Share".

A statement on calculation of EPS is as under:

Profit for the period attributable to equity shareholders	<u>75,988.55</u>	<u>-99,853.55</u>
<b>Total (a)</b>	<b>75,988.55</b>	<b>-99,853.55</b>
Number of equity shares outstanding during the year (nos.)	4,010,000.00	4,010,000.00
(Nominal value of equity share - ₹ 10/-)		
<b>Total (b)</b>	<b>4,010,000.00</b>	<b>4,010,000.00</b>
Basic EPS (₹) (a/b) -	-0.02	-0.02
Diluted EPS (₹) (a/b)	-0.02	-0.02

Note: There are no potential equity shares

**Other notes to Balance Sheet****27 Contingent Liabilities and commitments**

to the extent not provided for:

	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
<b>Contingent Liabilities</b>		
a) Guarantees	A	NIL
b) Claims against the Company not acknowledged as debt	1,066,886.00	1,066,886.00

Note: The BSE Limited has raised a demand of Rs. 10,66,886/- towards the listing fee. However, the Company has disputed the same and has filed a suit in the court of Civil Judge, Senior Division, Ludhiana against the bills raised by the BSE Limited towards such listing fee. The BSE Ltd. has initiated a corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 for the non payment of such listing fees at National Company Law Tribunal, Chandigarh. The Company is confident that the case before NCLT, CHandigarh will be dismissed, keeping in view the facts & circumstances of the case, particularly the judgement of NCLT, Mumbai Bench in the matter of Bombay Stock Exchange Ltd. Vs. Asahi Infrastructure & Projects Ltd.. Hence, no provision has been created against the said demand in the books of accounts.

**28 Segment Reporting:**

The company's business predominantly comprises of only one segment i.e. manufacturing and trading of hosiery yarns/ cloth, therefore there is no separate reportable segment as required by AS 17 on segment reporting.

**29 Expenditure in Foreign Exchange**

- -

**30 Earning in Foreign Exchange**

- -

**31 Consumption of Imported and Indigenous****RAW MATERIALS**

Particulars	<b>For the year ended 31.03.2021</b>	<b>For the year ended 31.03.2020</b>
Indigenous	2358337.3	3638784.1
% of Total Consumption	100	100
Imported	-	-
% of Total Consumption	0	0
<b>Total</b>	<b><u>2358337.3</u></b>	<b><u>3638784.1</u></b>

## OSWAL YARNS LIMITED

### Stores & Spare

Indigenous	263580	361110
% of Total Consumption	100	100
Imported	0	0
% of Total Consumption	0	0
<b>Total</b>	<b>263580</b>	<b>361110</b>

- 32.** Balances of various parties are subject to confirmation. However, in the opinion of the Board of Directors, all the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, except as expressly stated otherwise.
- 33.** As a matter of prudence, deferred tax assets amounting to Rs. 0.33 Lacs (Previous year Rs. 0.19 Lacs) on account of timing difference in depreciation has not been recognised in accounts.

### **34 Employee Benefits**

i) The summarized position of Post-employment benefits and long term employee benefits recognized in the profit & Loss account and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) are as under :-

(a) Changes in the present value of the obligation :

Particulars	As At 31.03.2021	As At 31.03.2020
1. Present value of obligation as at the beginning of the period	763,675.00	693,490.00
2. Current Service Cost	33,497.00	31,973.00
3. Interest Cost	55,366.00	52,012.00
4. Net actuarial (-) gain/loss recognised in the period	75,298.00	(13,800.00)
5. Present value of obligation as at the end of the period	841,586.00	763,675.00
6. Current liability of obligation as at the end of the period	385,184.00	385,543.00
7. Non-current liability of obligation as at the end of the period	456,402.00	378,132.00

#### **(b) Expenses recognised during the period :**

Particulars	As At 31.03.2021	As At 31.03.2020
1. Current service cost	33,497.00	31,973.00
2. Interest cost	55,366.00	52,012.00
3. Net actuarial (-) gain/loss recognised in the period	75,298.00	(13,800.00)
4. Expenses to be recognised in the statement of Profit & Loss	164,161.00	70,185.00
5. Net effect of prior period adjustment for accrued gratuity	(26,281.00)	(24,565.00)
6. Expenses recognised in the statement of profit and loss	137,880.00	45,620.00

#### **(c) Actuarial assumptions:**

1. Discount rate	7.25%	7.50%
2. Salary growth rate	7.00%	7.00%
3. Mortality Rate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
4. Withdrawal rate on age	1% to 3% depending on age	1% to 3% depending on age

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**OSWAL YARNS LIMITED**

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35 Disclosures in respect of Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the company, are as specified below:

Particulars	"Year ended March 31, 2021"	"Year ended March 31, 2020"
The principal amount remaining unpaid for more than forty five days as at the end of year;	39,93,634.00	34,42,428.00
The interest due thereon;	Nil*	Nil*
Total interest paid on all delayed payments during the year under the provisions of the Act.		
The amount of interest due and payable, On delayed payments made but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil*	Nil*
The amount of interest accrued and remaining unpaid at the year end	Nil*	Nil*
	Nil*	Nil*

\* The Company has not provided for interest on the balance outstanding as the Company does not envisage any material impact on the financial statements in this regard.

36 Previous year figures have been grouped or regrouped wherever necessary to make the figures comparable

37 The outbreak of COVID-19 pandemic caused significant disturbance and slowdown of economic activity in global market. Further, due to the lockdown imposed by Government of India Company temporarily suspended the operations in all the units in compliance with the lockdown instruction issued by Central and State Governments. The Company started its operations on 17.05.2020 after the extended lockdown was discontinued.

**AUDITORS' REPORT**

In terms of our Report of even date.

FOR S.H.S.P. & ASSOCIATES  
CHARTERED ACCOUNTANTS

for and on behalf of the Board of  
OSWAL YARNS LIMITED

Sd/-  
(HARI PAL GUPTA)  
PARTNER  
Membership No. : 088848  
Firm Reg. No.: 004267N

Sd/-  
(TEJ PAUL OSWAL)  
MANAGING DIRECTOR  
(DIN: 00781144)

Sd/-  
(BHARATT OSWAL)  
WHOLE TIME DIRECTOR  
(DIN: 00469332)

PLACE : LUDHIANA  
DATED : 28-06-2021

## OSWAL YARNS LIMITED

### CASH FLOW STATEMENT FOR THE PERIOD 1ST APRIL, 2020 TO 31ST MARCH, 2021 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	As at 31.03.2021	(Rs. in thousand) As at 31.03.2020
<b>A. CASH FLOW FORM OPERATING ACTIVITIES</b>		
<b>Net Profit before taxation</b>	115,639	(70,500)
Add: Adjustment for		
Depreciation	358,126	314,559
Profit on sale of Fixed Asset	(153,391)	(16,500)
Interest paid	394,830	273,156
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>715,204</b>	<b>500,715</b>
Adjustment for working capital:		
Increase / (Decrease) in other financial liabilities	(50,788)	51,355
Increase / (Decrease) in provisions	70,859	26,656
Increase / (Decrease) in Trade payables	(2,023,478)	(2,386,121)
Increase / (Decrease) in Other current liabilities	15,682	191,084
Decrease / (Increase) in Inventories	(6,370,110)	(4,599,298)
Decrease / (Increase) in Trade receivables	8,751,990	10,870,883
Decrease / (Increase) in Other current assets	10,249	(148,544)
<b>CASH GENERATED FORM OPERATION</b>	<b>1,119,607</b>	<b>4,506,730</b>
Interest Paid	(394,830)	(273,156)
Direct Tax Paid	(36,900)	(45,390)
<b>Cash Flow before extraordinary item</b>	<b>687,877</b>	<b>4,188,183</b>
<b>Net cash from Operating Activities</b>	<b>687,877</b>	<b>4,188,183</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(528,965)	(1,145,039)
Sale of fixed assets	540,000	16,500
Interest Income	-	-
<b>Net cash used in investing activities</b>	<b>11,035</b>	<b>(1,128,539)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Shares		
Receipt/ (Repayment) of long term borrowings	1,001,564	620,735
Receipt/ (Repayment) of Short term loans	(1,186,276)	(3,548,884)
Net Cash received in financing activities	<b>(184,712)</b>	<b>(2,928,149)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	<b>514,199</b>	<b>131,495</b>
Cash and Cash equivalents as at		
1st April(Opening Balance)	<b>707,253</b>	<b>575,758</b>
Cash and Cash equivalents as at		
31st March(Closing Balance)	<b>1,221,453</b>	<b>707,253</b>

#### AUDITORS' CERTIFICATE

**We have verified the above cash flow statement of Oswal Yarns Limited derived from the audited annual financial statements for the year ended 31st March, 2021 and found the same to be drawn in accordance therewith.**

FOR S.H.S.P. & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Sd/-  
(HARI PAL GUPTA)  
PARTNER  
Membership No. : 088848  
Firm Reg. No.: 004267N  
PLACE : LUDHIANA  
DATED : 28.06.2021

for and on behalf of the Board of  
OSWAL YARNS LIMITED

Sd/-  
(TEJ PAUL OSWAL)  
MANAGING DIRECTOR  
(DIN: 00781144)

Sd/-  
(BHARATT OSWALL)  
WHOLE TIME DIRECTOR  
(DIN: 00469332)



**OSWAL YARNS LIMITED**

Particulars	As at		As at	
	31.03.2021		31.03.2020	
	Number of shares	Amount	Number of shares	Amount
Equity Share Capital				
Balance at the beginning of the reporting period	4010000	40100000	4010000	40100000
Changes in equity share capital during the period	-	-	-	-
Balance at the end of the reporting period	4010000	40100000	4010000	40100000

Particulars	Equity component of compound financial instruments	Retained Earnings	Remeasurement of defined benefit plans	Total
<b>B. Other Equity</b>				
<b>Balance as at 01.04.2020</b>	-	(2,852,541.61)	-	(2,852,541.61)
Change in equity as at 31st March, 2021				
Profit for the period		75,988.55		75,988.55
Other comprehensive income/ (-) loss for the period		8,075.00	-	8,075.00
Total comprehensive income/ (-) loss for the period		84,063.55	-	84,063.55
<b>Balance as at 31.03.2021</b>	-	(2,768,478.06)	-	(2,768,478.06)
<b>Balance as at 01.04.2019</b>	-	(2,730,415.08)		(2,730,415.08)
Impacts due to Ind As Adjustment	-			
Restated balance at the beginning of the reporting period	-	(2,730,415.08)		(2,730,415.08)
Profit for the period		(99,853.55)		(99,853.55)
Other comprehensive income/ (-) loss for the period		(22,272.98)	-	(22,272.98)
Total comprehensive income/ (-) loss for the period		(122,126.53)	-	(122,126.53)
<b>Balance as at 31.03.2020</b>	-	(2,852,541.61)	-	(2,852,541.61)

As per our report of even date.  
FOR S.H.S.P. & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(HARI PAL GUPTA)  
PARTNER  
Membership No. : 088848  
Firm Reg. No.: 004267N  
PLACE : LUDHIANA  
DATED : 28.06.2021

Sd/-  
(TEJ PAUL OSWAL)  
MANAGING DIRECTOR  
(DIN: 00781144)

for and on behalf of the Board  
OSWAL YARNS LIMITED

Sd/-  
(BHARATT OSWAL)  
WHOLE TIME DIRECTOR  
(DIN: 00469332)

**OSWAL YARNS LIMITED**

**OSWAL YARNS LIMITED**

Registered Office : Oswal House, Link Road, Industrial Area - 'A'. Ludhiana - 141 003.

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L17111PB1982PLC005006  
 Name of the Company : Oswal Yarns Limited  
 Regd. Office : Oswal House Link Road Industrial Area- A, Ludhiana-141003 (Punjab)  
 Name of the Member(s) :  
 Regd. Address :  
 Email Id :  
 Folio No./Client Id :  
 DP Id :  
 No. of Shares Held :

I/We, being the member(s) of .....Shares of the above named Company, hereby appoint:

- 1) Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email : \_\_\_\_\_  
 Signature : \_\_\_\_\_  
 or failing him/her \_\_\_\_\_
- 2) Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email : \_\_\_\_\_  
 Signature : \_\_\_\_\_  
 or failing him/her \_\_\_\_\_
- 3) Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Email : \_\_\_\_\_  
 Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th ANNUAL General MEETING of the Company to be held on Thursday, 30th September, 2021 at 10:30 A.M. at Chick-FI Restaurant, Metro Road, Jamalpur Colony, Ludhiana and at any adjournment (s) thereof in respect of such resolutions as are indicated below:

**ORDINARY BUSINESS/(S)**

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.
- 2. To appoint a Director in Place of Mrs. Vama Oswal (Din: 08264613) who retires by rotation at this meeting and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

- 3. To appoint Sh. Nipun Vyas (Din: 09034734) as an Independent Director of the company
- 4. To re-appoint Sh. Tej Paul Oswal (Din: 01482096) as Managing Director of the company

Affix a Re. 1/- Revenue Stamp

Signed this \_\_\_\_\_day of \_\_\_\_\_,2021  
 Signature of the Shareholder(s) \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

**Notes:**

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2. This form should be signed as per specimen signature registered with RTA/ DP.

**39th ANNUAL GENERAL MEETING**

Time : Thursday, 30th September, 2021 at 10:30 A.M  
Place : Chick-FI Restaurant, Metro Road, Jamalpur Colony, Ludhiana-141010 (Pb.)

FULL NAME OF THE FIRST SHAREHOLDER \_\_\_\_\_

Joint Shareholders, if any \_\_\_\_\_

Father's/Husband's Name \_\_\_\_\_

Address in full \_\_\_\_\_

FULL NAME(S) OF THE PERSON ATTENDING THE MEETING AS A PROXY/SHAREHOLDER(S)  
\_\_\_\_\_

I/We hereby record my/our presence at the 39<sup>th</sup> Annual General Meeting held on Thursday, 30th September, 2021 at 10:30 A.M at Chick-FI Restaurant, Metro Road, Jamalpur Colony, Ludhiana-141010 (Pb.).

Folio No. / DP-Id : \_\_\_\_\_

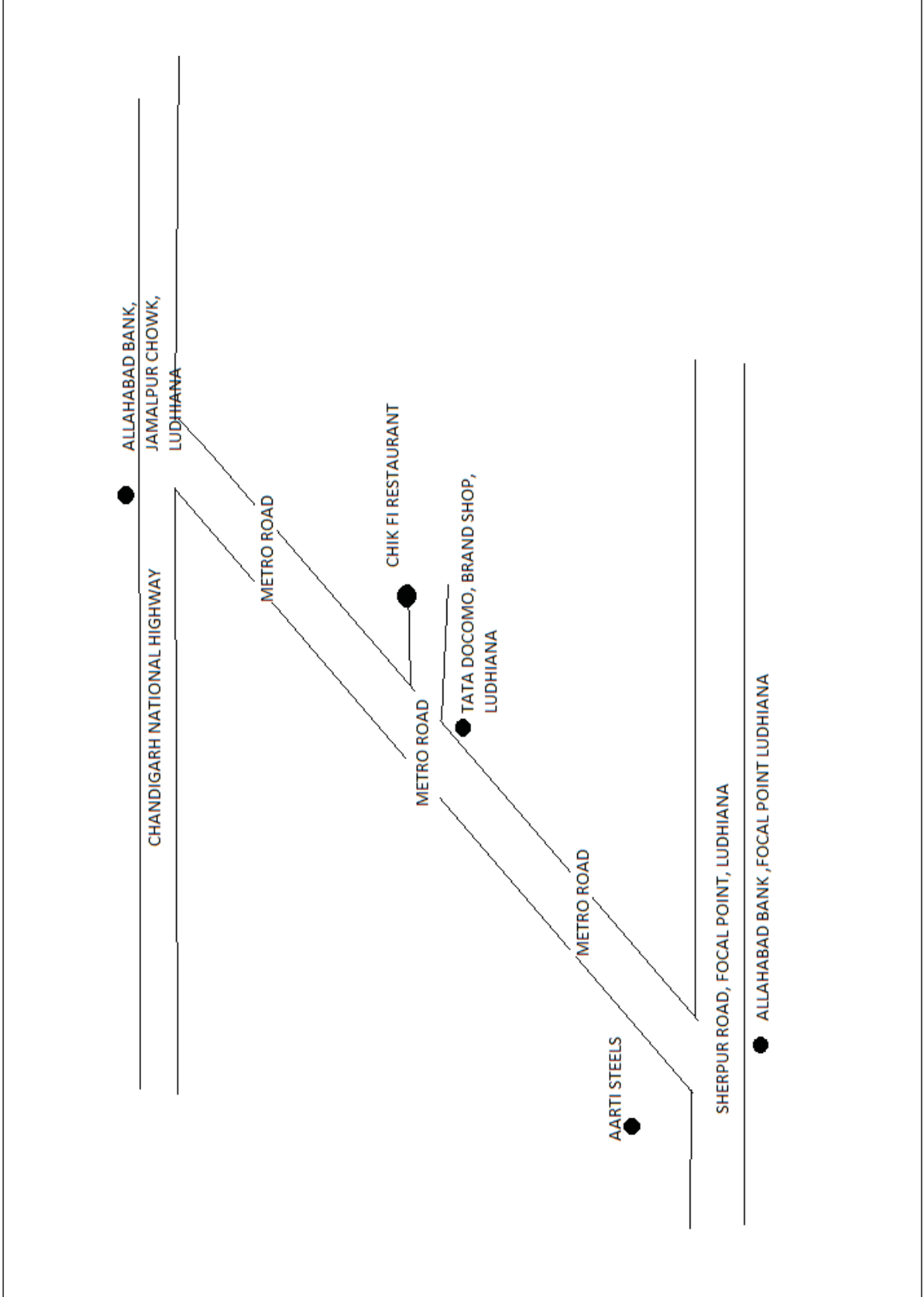
Client-Id: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

Signature(s)  
: \_\_\_\_\_

Members may please note that the Auditorium Authorities do not permit carrying of bags/articles/ snack packets etc. inside the meeting hall. The Company will not make any arrangements for safe keeping of articles etc. outside the Hall. Members may make their own arrangements which shall be solely at their risk and cost and the Company will in no way be responsible for any loss/theft of articles etc.





BOOK POST  
(PRINTED MATER)

If undelivered please return to:

**OSWAL YARNS LIMITED**

Regd. Office : Oswal House, Link Road,  
Industrial Area - 'A'

LUDHIANA - 141 003 (Punjab)

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