

Vaxtex COTFAB LTD.

Suiting & Shirting Fabrics

Vaxtex Coffab Ltd.

CIN -U51109GJ2005PLC076930

📍 S/230 Ranipur patia, Opp. Cozy Hotel,
Narol, Ahmedabad - 382405

☎ +91 97244 96973

✉ info@vaxtexcoffab.com

🌐 www.vaxtexcoffab.com

Date: 26th November, 2020

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

Dear Sir/Ma'am,

Subject: Clarification regarding deficiency in Audited Financial Results

Ref: Security Id: VCL / Series: SM

As Captioned this is to inform you that, Company had submitted Audited Financial Results for the Year ended 31st March, 2020 in accordance with Regulation 33 of SEBI (LODR) Regulations 2015, however deficiencies has been observed by National Stock Exchange, which are as under:

Deficiency 1:

Financial results not submitted within 30 minutes from end of board meeting.

Clarification:

We hereby clarify that we could not upload results within 30 minutes was due to late receipt of OTP. We had requested multiple times, but due to technical error we were not able to generate on time. Further, this was Company's 1st Quarter after listing so it took a little while to figure out the procedure of uploading details on NEAPS. We assure you to be punctual from next Quarter.

Deficiency 2:

Segment details not submitted

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Clarification:

Company works under single segment and therefore no segment details was not submitted and the same is also mention in Audit Report.

Deficiency 3:

Machine Readable Form / Legible copy of Financial Results not submitted

Clarification:

We hereby again submit Machine Readable Form / legible copy of Audited Financial Results along with Audit Report for the year ended 31st March, 2020. Further we will also take care in future submissions.

Deficiency 4:

Limited Review Report / Independent Auditor's Report is not in the format prescribed by SEBI

Clarification:

Revised Independent Auditor's Report as per the format prescribed by SEBI is attached.

We therefore request you to kindly consider this clarification and oblige us.

For, Vaxtex Cotfab Limited



Mithilesh Agrawal
Director
DIN: 03468643



Vaxtex Cotfab Limited
CIN: L51109GJ2005PLC076930

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

Audited financial results for the Half Year/ Year ended 31 March, 2020
prepared in accordance with the Indian GAAP

(Rs. in IN					cept per equity share data)
Sr. No.	Particulars	Half Year Ended	Half Year Ended	Year Ended	Year Ended
		31.03.2020	30.09.2019	31.03.2020	31.03.2019
		Audited	Unaudited	Audited	Audited
1	Income from Operations				
	(a) Income from Operations	17,41,25,839	10,34,54,196	27,75,80,035	21,97,26,590
	(b) Other Operating Income	1,74,140	2,550	1,76,690	4,53,415
	Total Income from Operations	17,42,99,979	10,34,56,746	27,77,56,725	22,01,80,006
2	Other Income				
3	Total Revenue	17,42,99,979	10,34,56,746	27,77,56,725	22,01,80,006
4	Expenses				
	(a) Direct Costs	1,74,38,891	1,60,75,802	3,35,14,692.5	4,35,47,681
	(b) Purchases of stock in trade	14,08,46,370	7,12,13,423	21,20,59,792	14,40,35,148
	(c) Employee benefits expense	65,84,713	62,18,541	1,28,03,254	1,90,02,669
	(d) Finance costs	55,63,371	50,25,212	1,05,88,583	1,43,827
	(e) Depreciation and amortisation expense	7,76,043	6,41,388	14,17,431	10,64,077
	(f) Administration and other expense	23,35,226	31,64,738	54,99,964	36,13,682
	Total Expenses	17,35,44,613	10,23,39,103	27,58,83,716	21,14,07,083
5	Profit / Loss before exceptional and exceptional items and tax (3-4)	7,55,367	11,17,642	18,73,009	87,72,922
6	Exceptional Item				
7	Profit / Loss before extraordinary items and tax (3-4)	7,55,367	11,17,642	18,73,009	87,72,922
8	Exceptional Items				
9	Profit / Loss Before Tax (7-8)	7,55,367	11,17,642	18,73,009	87,72,922
10	Tax Expenses (Net)	6,50,366	2,90,587	9,40,953	27,52,703
11	Profit / Loss for the period from continuing operations (9-10)	1,05,001	8,27,055	9,32,056	60,20,219
12	Profit / Loss from discontinuing operations				
13	Tax Expenses of discontinuing operations				
14	Profit / Loss from discontinuing operations (after tax) (12-13)				
15	Profit / Loss for the period (11+14)	1,05,001	8,27,055	9,32,056	60,20,219
16	Paid up Equity Share Capital (Face value of Rs. 10/- Each)	6,02,35,000	6,02,35,000	6,02,35,000	40,25,000
17	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	2,62,84,967	3,11,04,967.09	2,67,38,938	4,32,58,912
16	Earnings Per Share				
	(i) Before Extraordinary Items				
	(a) Basic (Rs.)	0.02	0.14	0.15	14.96
	(b) Diluted (Rs.)				
	(ii) After Extraordinary Items				
	(a) Basic (Rs.)	0.02	0.14	0.15	14.96
	(b) Diluted (Rs.)				

Date: 07/08/2020
Place: Ahmedabad,


Vaxtex Cotfab Limited
Khushant Gupta
Managing Director
DIN: 07958719

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Notes:

1. The above audited Financial Results for the Half Year and Year ended 31st March, 2020 have been reviewed by the Audit Committee and were taken on record by the Board of Directors in their meeting on 7th August, 2020.
2. The Financial Results for the Half Year and Year ended on 31st March, 2020 have been prepared using the same accounting policies as followed for 2018-19.
3. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
4. Revenues from Spinning, weaving and finishing of textiles are recognized on due basis, as and when the services are rendered, based on the agreements/arrangements with the concerned parties. Unbilled revenue is recognized to the extent not billed at the year end. Hence the management's confirmation is accepted in identifying the above.

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

5. The Company had raised Rs. 383.04 lakhs through Initial Public offer of Shares (IPO) in the month of January 2020 by issuance of 15,96,000 equity shares of Rs 10/- each at premium of Rs 14/- per share. The utilization out of such gross proceeds till March 31, 2020 is given below.

Utilization of funds raised by Public Issue upto March 31, 2020:

- a) To Acquire the Machinery,
 - b) The fund is utilized to part finance incremental working capital requirements of the Company,
 - c) To meet General Corporate purposes
 - d) To meet the expenses of the Issue.
6. Figures of previous period / year have been regrouped / recast wherever necessary to make the Financial Statements comparable.

7. Note on Impact of COVID-19

The World Health Organization (WHO) declared the novel Coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020. Consequent to this, Government of India had declared lockdown on March 23, 2020 and therefore, the Company suspended its business operations. COVID-19 has impacted the normal business operations of the Company by way of interruption in

production, supply chain disruption, closure of production facilities etc during the lock-down period. However, business was resumed from June 01, 2020 after obtaining necessary permissions from the appropriate government authorities. We have also taken necessary precautions to ensure the health, safety and wellbeing of all our employees as well as put in place SOPs and guidelines as per state government directives to prevent the spread of COVID-19. The Company has made detailed assessment of its liquidity position for Financial Year 2021-22 and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory, and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone financial results.

8. The Above results have been prepared in accordance with the Companies Act, 2013 and Indian GAAP.



Vastex Cofab Limited

Khushant Gupta
Managing Director
DIN: 07958719

Vaxtex Cotfab Limited
CIN: L51109GJ2005PLC076930
Address: Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad - 380 405
Audited Statement of Assets and Liabilities as at 31st March, 2020

(Amount in Rs.)

Sr. No.	Particulars	Year Ended	Year Ended
		30.03.2020	31.03.2019
		Audited	Audited
A	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	(a) Share Capital	6,02,35,000	40,25,000
	(b) Reserves and Surplus	2,62,84,967	4,32,58,912
	(c) Money Received against share warrants	-	-
		8,65,19,967	4,72,83,912
2	Share Application money pending allotment	-	-
3	Non Current Liabilities		
	(a) Long Term Borrowings	9,27,32,966	2,90,70,773
	(b) Other Long Term Liabilities	-	-
	(c) Long Term Provisions	-	-
	(d) Deferred Tax Liability	14,09,053	9,55,082
		9,41,42,018	3,00,25,855
4	Current Liabilities		
	(a) Short Term Borrowings	3,34,46,668	38,05,947
	(b) Trade Payables	6,08,52,481	5,01,99,064
	(c) Other Current Liabilities	42,79,113	37,19,432
		9,85,78,262	5,77,24,443
	TOTAL EQUITY AND LIABILITIES	27,92,40,248	3,50,34,210
B	ASSETS		
1	Non-Current Assets		
	(a) Fixed Assets	2,37,36,757	1,80,31,626
	(b) Deferred tax assets (net)	-	-
	(c) Non Current Investments	11,51,500	-
	(d) Long Term Loans & Advances	8,68,60,148	4,45,04,187
	(e) Other Non Current Assets	-	-
		11,17,48,405	6,25,35,813
2	Current Assets		
	(a) Inventories	4,10,19,440	62,15,430
	(b) Trade Receivables	8,54,50,513	4,70,18,006
	(c) Cash & Bank Balances	19,30,910	53,01,725
	(d) Short Term Loans & Advances	3,90,55,907	1,39,62,436
	(e) Other Current Assets	35,074	-
		16,74,91,843	7,24,98,396
	TOTAL ASSETS	27,92,40,249	3,50,34,210

For, Vaxtex Cotfab Limited



Rajendra Gupta
Managing Director
DIN: 07958719

Date: 07/08/2020
Place: Ahmedabad

Vaxtex Cotfab Limited CIN: L51109GJ2005PLC076930 Address: Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad - 382 405 Cash Flow Statement for the year ended 31 March, 2020			
			(Amount in Rs.)
Sr. No.	Particulars	31.03.2020	31.03.2019
1	Cash flow from operating activities		
	Profit / (Loss) Before tax	18,73,009	17,72,922
	Adjustments for :		
	Depreciation, amortisation and impairment - net	14,17,431	0,64,077
	Finance costs - net of capitalisation	1,05,88,583	1,43,827
	Interest/Dividend income	(1,76,690)	4,53,415
	Loss on Sale of Fixed Assets		
	Operating profit before working capital changes	1,37,02,332	15,27,410
	Adjustments for changes in :		
	(Increase)/Decrease in Trade receivables	(3,84,31,707)	(1,19,6,287)
	(Decrease)/Increase in Trade Payables	1,06,53,418	1,69,331
	(Increase)/Decrease in Short-term Loans & Advances	(2,50,93,471)	2,13,426
	(Increase)/Decrease in Inventories	(3,48,04,010)	6,81,035
	(Decrease)/Increase in Other Current Liabilities & Provisions	5,59,681	(7,42,169)
	(Increase) in other current Assets	(35,074)	-
	Cash generated from operations	(7,34,48,831)	1,57,3,746
	Provision for Income tax /Paid	(4,86,982)	(4,03,144)
	[A]	(7,39,35,813)	1,17,0,602
2	Cash flow from investing activities		
	Net (Purchases)/Sale of fixed assets	(71,22,559)	(1,17,533)
	Interest received	1,76,690	4,53,415
	Loans and advances given / repaid (Net)	(4,23,55,961)	(4,50,4,187)
	Investment (purchases/sales)	(11,51,500)	5,00,000
	[B]	(5,04,53,330)	(4,56,8,305)
3	Cash flow from financing activities		
	Increase/(Repayment) of Short term borrowings	2,96,40,718	3,80,948
	Interest Expense & Finance Costs	(1,05,88,583)	1,43,827
	Issue of share during the year	1,59,60,000	
	Security Premium Issue of share	2,23,44,000	
	(Decrease)/Increase in Short Term Borrowings		
	Increase/(Repayment) of long term borrowings	6,36,62,193	2,98,000
	[C]	12,10,18,328	3,21,7,122
	Openings cash and cash equivalents	(33,70,816)	7,19,419
	Closing cash and cash equivalents	53,01,725	5,82,306
		19,30,909	3,01,725

For, Vaxtex Cotfab Limited



Khushant Gupta
Managing Director
DIN: 07958719

Date: 07/08/2020
Place: Ahmedabad



Head Office :- Office No. 215, 2nd Floor, Gundecha Ind. Estate, Akurli Road, Kandivali (E), Mumbai - 400 101.
Tel : +91 22-67337024 / +91 22-67337025 | E-mail : ssrvanbassociaates@gmail.com

Independent Auditor's Report on Audited standalone Half Yearly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF VAXTEX COTFAB LIMITED,

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone financial results of **VAXTEX COTFAB LIMITED** (the company) for the quarter and the year ended on 31st March, 2020 included in accompanying statement of Audited Standalone Financials results (the "Statement") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial result:

- I. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- II. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit/loss and other comprehensive income and other financial information for the quarter and the year ended on 31st March, 2020.

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 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the following matter in the notes to financial statement;

- a. In March 2018 the statement of balance sheet of the company which is included acquisition of fixed assets are based on the financial statement provided by previous year auditor whose reports have been furnished to us, which have been relied upon by us.

Our opinion is not modified in respect of this matter.



Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the Audited Standalone financials statements. The Board of Directors of the Company are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the applicable Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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



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

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.

Other Matter:

The company during the year has operated under one segment only and thus there are no segment wise details that are to be reported.

for SSRV & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO. – 135901W

VISHNUKANT KADAM

Vishnu

Partner

M.No:403437

UDIN - 20403437AAAAPU6008

Place – Mumbai

Date - 07/08/2020



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Date: 7th August, 2020

To,
National Stock Exchange of India Limited
Exchange Plaza,
Plot no. C/1 G Block,
Bandra-Kurla Complex,
Bandra (East)
Mumbai - 400 051

Dear Sir/Madam,

**Sub: Declaration in respect of Unmodified Opinion on Audited Financial Result for
the Financial Year ended on March 31, 2020**

Ref: Security Id: VCL / Series: SM

We hereby declared that the Statutory Auditor of the Company, M/s SSRV & Associates Chartered Accountants, Mumbai has issued Audit Report with Unmodified Opinion on Audited Financial Result for the Financial Year ended as on March 31, 2020.

The declaration is given in compliance to second proviso of Reg. 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations 2016, vide notification no. SEBI/LAD-NRO/GN/2016-17/001, dated 25th May, 2016.

Kindly take the same on your record and oblige us.

Thanking You,



For Vaxtex Cotfab Limited

Anant Gupta
Managing Director
DIN: 07958719