



**43<sup>rd</sup>**  
**ANNUAL REPORT**  
**2022-23**

Vardhman Polytex Limited  
An Oswal Group<sup>®</sup> Company



## Message from Chairman & Managing Director

Dear Shareholders,

I am writing to you today as the Chairman of our esteemed company to provide an overview of our performance in the past fiscal year and to share our unwavering optimism for the future. While the financial results presented in this annual report may reflect a decline in revenue compared to the previous year, we remain steadfast in our commitment to turning the tide in the coming years.

The textile industry, which forms the backbone of our operations, experienced high volatility in the past year resulting in adverse effects on our revenue. Additionally, our liquidity position has been under strain which impacted the operations.

One major accomplishment this year has been the successful completion of resolution of our bank debts through a one-time settlement as well as assignment of the debt to an Asset Reconstruction Company (ARC) which will provide us with an opportunity to restructure and strengthen our financial position. With this significant achievement, we now have a more stable foundation to build upon. We are aware that challenges may still lie ahead, but we are confident in our ability to navigate through them with resilience and determination.

Looking forward, we see a glimmer of hope on the horizon. We firmly believe that the textile industry will rebound, presenting us with opportunities for growth and profitability. We remain proactive in monitoring market trends, identifying emerging markets and diversifying our product portfolio.

Transparency and effective communication are key to our relationship with you, our valued shareholders. We are committed to providing regular updates on our progress, initiatives, and any significant developments that may impact our business. Your trust and support are crucial to our success, and we are dedicated to creating sustainable long-term value for you.

In conclusion, I extend my sincere gratitude to our shareholders, employees, customers, and partners for their unwavering support during these challenging times. Together, we will overcome obstacles and forge a path towards success. With our collective efforts, resilience, and a renewed sense of purpose, we are confident that we will emerge stronger, more competitive, and well-positioned for a prosperous future.

Thank you for your continued trust and confidence in our company.

Sincerely,

**Adish Oswal**  
Chairman & Managing Director

**BOARD OF DIRECTORS**

Mr. Adish Oswal	- <i>Chairman &amp; Managing Director</i>
Mrs. Manju Oswal	- <i>Director</i>
Mr. Suresh Kumar Banka	- <i>Director</i>
<i>Mr. Sandeep Mehta</i>	- <i>Independent Director</i>
Mr. Varun Kumar Choudhary	- <i>Independent Director (upto 12.08.2022)</i>
Mr. Hardeep Singh	- <i>Independent Director (upto 12.08.2022)</i>
<i>Mr. Sanjeev Joshi</i>	- <i>Independent Director (w.e.f. 12.08.2022)</i>
<i>Mr. Sagar Bhatia</i>	- <i>Independent Director (w.e.f. 12.08.2022)</i>
<i>Mrs. Sanchi Taneja</i>	- <i>Independent Director (w.e.f. 18.07.2023)</i>

**CHIEF FINANCIAL OFFICER**

Mr. Radhamohan Soni

**COMPANY SECRETARY**

Mr. Ajay K. Ratra

**STATUTORY AUDITORS**

M/s Romesh K. Aggarwal & Associates  
Miller Ganj, Ludhiana

**REGISTERED & CORPORATE OFFICE**

Vardhman Park, Chandigarh Road,  
Ludhiana-141123  
Phones: +91-161-6629888  
Fax : +91-161-6629988  
E-mail: info@vpl.in  
Website: www.vpl.in  
CIN: L17122PB1980PLC004242

**WORKS**

- Vardhman Polytex Limited,  
Badal Road, Bathinda-151005, Punjab.
- Vardhman Polytex Limited,  
D-295/1, Phase VIII, Focal Point,  
Ludhiana-141010, Punjab.
- Vardhman Polytex Limited,  
Village Nangal Nihla/Upperla,  
Swarghat Road, Nalagarh-174101 (H.P.)
- Amkryon International,  
D-295/1, Phase VIII, Focal Point,  
Ludhiana-141010, Punjab.

**BRANCH OFFICES**

305, Ansal Bhawan, 16, K.G. Marg,  
New Delhi-110001  
Phones: +91-11-23311582, 23312478  
Fax: +91-11-23312477

**REGISTRAR & SHARE TRANSFER AGENT**

Alankit Assignments Limited  
1E/13, Alankit Heights,  
Jhandewalan Extension,  
New Delhi-110055  
Phones: +91-11-42541234, 23541234  
Fax: +91-11-41543474

<b>Contents</b>	<b>Page No.</b>
Notice .....	01
Board's Report .....	11
Management Discussion & Analysis Report .....	29
Corporate Governance Report .....	33
Auditor's Report .....	46
Balance Sheet .....	55
Statement of Profit and Loss .....	56
Cash Flow Statement .....	57
Notes to Accounts .....	59

## NOTICE

**NOTICE** is hereby given that the **43<sup>rd</sup> Annual General Meeting (AGM)** of the members of Vardhman Polytex Limited will be held on **Friday, 18<sup>th</sup> August, 2023 at 11:00 a.m.** at the registered office: Vardhman Park, Chandigarh Road, Ludhiana- 141123 to transact the following business: -

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Reports of Auditors and Directors thereon together with the Report of Auditors thereon.
- To appoint a Director in place of Mr. Adish Oswal (DIN-00009710), who retires by rotation in accordance with Articles of Association and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

- To approve payment of remuneration to Mr. Adish Oswal (DIN: 00009710), Chairman & Managing Director of the Company

*To consider and if thought fit to pass with or without modification(s), the following resolution as a ‘Special Resolution’:*

“**RESOLVED THAT** in partial modification of special resolution passed in this regard by the members of the Company at 42<sup>nd</sup> Annual General Meeting held on 26<sup>th</sup> September, 2022 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (‘the Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other applicable provisions of the Act including any amendment(s), statutory modification(s) or reenactment(s) thereof for the time being in force and based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the members be and is hereby accorded for payment of remuneration to Mr. Adish Oswal (DIN : 00009710), Chairman & Managing Director (CMD) of the company, with effect from 1st August, 2023 for the remaining period of his tenure ending on 23.11.2025 as set out below, as minimum remuneration in the event of absence of profits and/or inadequacy of profits or otherwise, notwithstanding that such remuneration may exceed the limits specified under Section 197 read with Schedule V of the Act.:

Basic Pay	₹ 15.00 Lakh p.m
Special allowance	₹ 5.10 Lakh p.m
House Rent Allowance	₹ 4.50 Lakh p.m
Helper Allowance	₹ 3.60 Lakh p.m
Provident Fund	₹ 1.80 Lakh p.m
Total	₹ 30.00 Lakh p.m

Gratuity	As per Company Rules
Encashment of Unavailed Leave	
Superannuation	
Telephone	
Annual Leave	
Car	Company maintained two vehicles with Drivers for Official Work.

**OTHER BENEFITS:**

The Company shall reimburse actual entertainment and travelling expenses incurred by the CMD in connection with the Company’s business.

**RESOLVED FURTHER THAT** Mr. Adish Oswal, CMD shall be entitled to re-imbusement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

**RESOLVED FURTHER THAT** so long as Mr. Adish Oswal functions as the CMD of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any committee thereof.

**RESOLVED FURTHER THAT** the Board or any duly constituted committee of the Board, be and is hereby authorised to vary, alter and modify the terms and conditions of re-appointment including designation, remuneration/ remuneration structure of Mr. Adish Oswal within the limits approved by the Members.

**RESOLVED FURTHER THAT** where in any financial year during the currency of term of Mr. Adish Oswal as CMD, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Adish Oswal, CMD, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, notwithstanding such remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 or under any other law for the time being in force, if any.

**RESOLVED FURTHER THAT** except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the resolution passed at the 42<sup>nd</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September 2022 shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Directors and/ or Committee of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as maybe necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution.”

**4. To ratify the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2024**

*To consider and if thought fit, to pass, with or without modification(s), the following resolution as an 'Ordinary Resolution':*

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there-under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Ramanath Iyer & Company, New Delhi appointed as Cost Auditors, by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2024, be paid the remuneration of Rs. 1,35,000/- plus taxes and out-of-pocket expenses.

**RESOLVED FURTHER THAT** Mr. Adish Oswal, Chairman and Managing Director and /or Mr. Ajay K. Ratra, Company Secretary be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

**5. To appoint Mrs. Sanchi Taneja (DIN: 08857114) as Independent Director**

*To consider and if thought fit to pass with or without modification(s), the following resolution as 'Special Resolution':*

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder read with Schedule IV of the Act, Mrs. Sanchi Taneja (DIN: 08857114), who was appointed as additional director (non-executive independent director) of the company w.e.f. 18<sup>th</sup> July, 2023, who has submitted a declaration that she meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation under section 152 of the Companies Act, 2013, for a term of 4 (Four) years with effect from 18<sup>th</sup> August, 2023.

**RESOLVED FURTHER THAT** Mr. Adish Oswal, Chairman and Managing Director and /or Mr. Ajay K. Ratra, Company Secretary be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

**By Order of the Board**

**Sd/-**

**Adish Oswal**

**Chairman & Managing Director**

**DIN:00009710**

**Place: Ludhiana**  
**Date : 18.07.2023**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy, in order to be effective, must be received by the company not less than 48 hours before the commencement of the meeting. The blank proxy form is enclosed.

However, a person can act as proxy on behalf of not more than fifty (50) members or holding in the aggregate not more than ten percent (10 %) of the total share capital of the company.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of items specified in special business and the information required pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, regarding the directors seeking appointment/re-appointment in the Annual General Meeting are annexed hereto and both forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 14<sup>th</sup> August, 2023 to Friday, 18<sup>th</sup> August, 2023 (Both days inclusive).
4. The copies of relevant documents are open for inspection at the Registered Office of the Company on all working day between 10.30 A.M. to 12.30 P.M. upto the date of the Annual General Meeting.
5. Members desiring any information as regards to accounts are requested to write to the Company at [secretarial@vpl.in](mailto:secretarial@vpl.in) at least 7 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
6. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/RTA of the Company.
7. In support of the Green Initiative and in compliance with the MCA general circular no. 10/2022 dated 28.12.2022 and SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05.01.2023, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report 2022-23 containing Financial Statements, Director's Report etc and other communications in electronic form only to the members whose email addresses are registered with the Company/ Depository Participant(s).
8. The Notice of AGM can also be accessed from the website of the company at [www.vpl.in](http://www.vpl.in) and from Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) . The AGM Notice is also disseminated on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com)
9. **Voting Instructions:**
  - a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and other MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting will be provided by CDSL.

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

- i) The voting period begins on Tuesday, 15.08.2023 (09:00 A.M.) and ends on Thursday, 17.08.2023 (05:00 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 i.e., Friday, 11.08.2023 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) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This

necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- iv) **In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.**

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>



Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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 in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the ***EVS: 230718026 for Vardhman Polytex Limited.***
- x) 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.
- xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii) 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.
- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv) 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.
- xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - 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 will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@vpl.in](mailto:secretarial@vpl.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NUMBERS ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id.**
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 3**

Mr. Adish Oswal was re-appointed as Managing Director of the company for a period of 3 years starting from 24.11.2022 till 23.11.2025 at the 42<sup>nd</sup> Annual General Meeting of the shareholders held on 26<sup>th</sup> September, 2022 with no remuneration in the capacity of Managing Director.

Mr. Adish Oswal, aged 43 years, is the third generation Entrepreneur of the Oswal family which has pioneered Textile Business in Punjab since generations. He is a Commerce Graduate from Delhi University and has attended various training programmes such as Managerial Finance at Harvard University, Boston; one on Core Competence, Capability & Strategy at IIM, Ahmedabad & another on Strategy for Fast Growing Enterprises at ISB Hyderabad. Mr. Adish Oswal has more than 20 years of rich experience in textile industry. He has vast experience in selection of technology, machineries and operation of plants. He also spearheads the Groups initiatives in the areas of Finance, Marketing, Business Development, Corporate Communication and Corporate Affairs.



Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Mr. Adish Oswal, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on 18<sup>th</sup> July, 2023, has approved the proposal for payment of remuneration to Mr. Adish Oswal, Chairman & Managing Director, subject to the approval of shareholders, as set out in the resolution being item no. 3 of the accompanying notice w.e.f. 1<sup>st</sup> August, 2023 for the remaining period of his tenure i.e. up to 23<sup>rd</sup> November, 2025.

Pursuant to the provisions of Section 197 read with Schedule V to the Act relating to payment of managerial remuneration in case of absence of profits and/or inadequacy of profits (calculated under Section 198 of the Act), the Company may pay such remuneration over and above the ceiling limit as specified in Schedule V, subject to the members' approval by way of a Special Resolution for payment of minimum remuneration for a period not exceeding 3 years, compliance of disclosure requirements and other conditions stated therein. In view of the foregoing factors, the approval of the members is being sought for payment of remuneration to Mr. Adish Oswal from 1<sup>st</sup> August, 2023 to 23<sup>rd</sup> November, 2025, as may be permitted under applicable laws, in case of absence of profits and/or inadequacy of profits or otherwise, in the Company.

The revision in the remuneration of Mr. Adish Oswal is in compliance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013. The Nomination and Remuneration Committee at its meeting held on 18<sup>th</sup> July, 2023 has already approved the remuneration payable to Mr. Adish Oswal, Chairman & Managing Director of the Company.

Considering Mr. Adish Oswal's experience in textile company and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable and recommended for your approval. Accordingly, Special Resolution is submitted to the meeting for the consideration and approval of Members.

Mr. Adish Oswal is interested in the resolution set out at item no. 3 of this Notice. Further, his relatives are also deemed interested in the respective resolution, to the extent of their shareholding, if any, in the Company. Save and except the above, none of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolutions

The Board recommends the Special Resolution set out at item no.3 of the accompanying Notice for approval of the Members.

**Statement containing the information as required under Section-II, Part-II of Schedule V to the Companies Act, 2013**

<b>I. General information:</b>																	
1 Nature of industry	The Company is engaged in the manufacturing of yarns.																
2 Date or expected date of commencement of commercial production	20/08/1980 (date of incorporation of company).																
3 In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable as the Company is an existing Company.																
4 Financial performance based on given indicators	(Amount in Rs.Lakh) <table border="1"> <thead> <tr> <th>Particulars</th> <th>Year ended March 31, 2023</th> <th>Year ended March 31, 2022</th> <th>Year ended March 31, 2021</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations</td> <td>61551.04</td> <td>92859.51</td> <td>50827.91</td> </tr> <tr> <td>Profit before tax</td> <td>149.14</td> <td>(1555.55)</td> <td>(5669.21)</td> </tr> <tr> <td>Profit after tax</td> <td>149.14</td> <td>(1555.55)</td> <td>(5669.21)</td> </tr> </tbody> </table>	Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021	Revenue from Operations	61551.04	92859.51	50827.91	Profit before tax	149.14	(1555.55)	(5669.21)	Profit after tax	149.14	(1555.55)	(5669.21)
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021														
Revenue from Operations	61551.04	92859.51	50827.91														
Profit before tax	149.14	(1555.55)	(5669.21)														
Profit after tax	149.14	(1555.55)	(5669.21)														
5 Foreign investments or collaborations, if any.	The Company is listed on the BSE Limited and National Stock Exchange of India Limited. As at March 31, 2023, the foreign portfolio investors and NRIs hold 2.82% and 1.05% holding of the company respectively. The Company does not have any Foreign Collaborations.																
<b>II. Information about the appointee:</b>																	
1 Background details	As mentioned in the Explanatory Statement under Item 3.																
2 Past remuneration	Mr. Adish Oswal, was re-appointed as Managing Director of the company for a period of 3 years starting from 24.11.2022 till 23.11.2025 at the 42 <sup>nd</sup> Annual General Meeting of the shareholders held on 26 <sup>th</sup> September, 2022 with no remuneration in the capacity of Managing Director.																
3 Recognition or awards	None																

4 Job profile and his suitability	Mr. Adish Oswal is a Commerce Graduate from Delhi University and has attended various training programmes such as Managerial Finance at Harvard University, Boston; one on Core Competence, Capability & Strategy at IIM, Ahmadabad & another on Strategy for Fast Growing Enterprises at ISB Hyderabad. He has 20 years of rich experience in Textile industry. He also spearheads the Groups initiatives in the areas of Finance, Marketing, Business Development, Corporate Communication and Corporate Affairs. He will perform such duties as shall from time to time be entrusted to him by the Board of Directors subject to superintendence, guidance and control of the Board of Directors.
5 Remuneration proposed	As set out in the Special Resolution at Item No.3
6 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Adish Oswal, the remuneration proposed is commensurate with the remuneration packages paid to their similar counterparts in other companies.
7 Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Taking into account the professional competence of Mr. Adish Oswal in running of plant operations of the company, he has been given additional charge as Chief Operating Officer (COO) of the Company and he drew remuneration of Rs.10 Lakh per month during the FY 2022-23 in the capacity of COO. Besides the above, Mr. Adish Oswal is also promoter of the Company and he holds 4,20,511 shares (1.89%) in the Company.
<b>III. Other information:</b>	
1 Reasons of loss or inadequate profits	That over the last few years, the operations of the Company have been adversely affected due to various factors such as (a) majority of spindles have become more than 15-20 years old leading to inconsistent quality in products; (b) the older technology has lead to higher operating costs such as power, yield, wastage etc. putting additional pressure on margins of the Company. (c) further, in the last 5-10 years newer machinery has been introduced which incorporates the latest technology/ automation thus yielding huge power savings, better yield and productivity, thereby giving a cushion to players having latest machinery; (d) due to huge repayments, well above accruals, there remains a liquidity pressure with resultant pressure on sales etc., due to which the Company has had to sell the products at a discount in domestic market and to buy raw material on deferred credit basis; (e) the Company has not incurred the critical capital expenditure in last 6-7 years for the modernization of the machinery, which is essential for remaining in the competitive market.
2 Steps taken or proposed to be taken for improvement.	Low cost debt avenues are being explored to meet the Capex and working capital requirements. Consistent efforts are being made to increase operational efficiency of plants.
3 Expected increase in productivity and profits in measurable terms.	The Company has taken various initiatives to maintain its leadership, improve market share, increase operational efficiency and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance. The company remain optimistic on the growth prospects of the Company and is confident of achieving improved performance going forward.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196, Section 197 and Schedule V of the Companies Act, 2013.

The Articles of Association, relevant resolutions passed at the Board and Committee Meetings and other allied documents being referred in the resolution, are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.

## ITEM NO. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ramanath Iyer & Co., New Delhi, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup>March, 2024. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup>March, 2024.

The Board recommends the Ordinary resolution set forth in Item No.4 for the approval of the members.

None of the Directors or KMP of the Company or their respective relatives is concerned or interested in the said resolution.

## ITEM NO. 5

Mrs. Sanchi Taneja (DIN: 08857114) was appointed as Additional Director under category of Independent Director of the company

by Board on 18<sup>th</sup> July, 2023 to hold the office of director till the conclusion of this AGM. The company has also received declaration of independence and consent for appointment from Mrs. Sanchi Taneja in accordance with the provisions of Companies Act, 2013 and SEBI (LODR), Regulations, 2015. On recommendation of the Nomination and Remuneration Committee, the board hereby recommends the appointment of Mrs. Sanchi Taneja as Independent Director of the company for a term of 4 (Four) years w.e.f. 18<sup>th</sup> August, 2023.

None of the Directors or KMP of the Company or their respective relatives except the proposed appointee is concerned or interested in the said resolution.

The Board recommends the Special resolution set forth in Item No.5 for the approval of the members.

**By Order of the Board**

**Sd/-**

**Adish Oswal**

**Chairman & Managing Director**

**DIN:00009710**

**Place: Ludhiana**

**Date : 18.07.2023**

**ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2:**

As required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standards-2 on General Meetings the particulars of Directors who are proposed to be appointed or reappointed are given below:

<b>1.</b>	<b>Name of Director</b>	<b>Mr. Adish Oswal</b>
	DIN	00009710
	Date of Birth	18.01.1980
	Date of First Appointment at Board	01.08.2009
	Expertise in specific functional area	20 years of rich experience in Textile industry. He has vast experience in selection of technology, machineries and operation of plants. He also spearheads the Groups initiatives in the areas of Finance, Marketing, Business Development, Corporate Communication and Corporate Affairs.
	Appointment/Re-appointment	Re-appointment due to retiring by rotation
	No. of equity shares held in VPL	4,20,511 equity shares
	Qualification	Commerce Graduate from Delhi University. Training programmes in Managerial Finance at Harvard University, in Core Competence, Capability & Strategy at IIM, Ahmadabad & on Strategy for Fast Growing Enterprises at ISB Hyderabad.
	Board Meetings attended during the year	5 Board Meetings
	Directorship of other companies as on 31 <sup>st</sup> March, 2023	<ol style="list-style-type: none"> <li>1. Panchsheel Textile Mfg and Trading Company Pvt. Ltd.</li> <li>2. Oswal Tradecom Private Limited</li> <li>3. Kent Investments Private Limited</li> <li>4. Calgary Investment and Trading Co. Pvt. Ltd.</li> <li>5. Pioneer Mercantile India Pvt. Ltd.</li> <li>6. Boras Investment and Trading Co. Pvt. Ltd.</li> <li>7. Adesh Investment and Trading Company Private Limited</li> <li>8. Alma Assets Consultancy Private Limited</li> <li>9. Allepy Investment and Trading Co. Pvt. Ltd.</li> <li>10. Oswal Holding Private Limited</li> <li>11. Gagan Mercantile Company Private Limited</li> <li>12. Ruby Mercantile Company Private Limited</li> </ol>
	Chairmanship /Membership of Committees of other Companies as on 31 <sup>st</sup> March, 2022	NIL
	Relationship with other Directors, Manager and KMP	Son of Mrs. Manju Oswal, Director
	Terms & conditions of appointment and reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	Remuneration/Terms & Conditions as per Special Resolution set out at item no.3 of AGM Notice. Earlier, no remuneration drawn in the capacity of Managing Director.
	Listed Entities from which he has resigned in the last 3 years	NIL

<b>2. Name of Director</b>	<b>Mrs. Sanchi Taneja</b>
DIN	08857114
Date of Birth	15.07.1991
Date of First Appointment at Board	18.07.2023
Appointment/Re-appointment	Appointment
No. of equity shares held in VPL	NIL
Qualification	Chartered Accountant, B.Com
Board Meetings attended during the year	NIL
Directorship of other companies as on 31 <sup>st</sup> March, 2023	NIL
Chairmanship /Membership of Committees of other Companies as on 31 <sup>st</sup> March, 2023	NIL
Relationship with other Directors, Manager and KMP	No relationship with other Directors, Manager and KMP
Terms & conditions of appointment and reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	As per Nomination and Remuneration Policy of the company, being non-executive director, she is not drawing any remuneration from the company. However, she is getting sitting fees for attending the meetings.
Listed Entities from which she has resigned in the last 3 years	NIL
Expertise in specific functional area and Skills & capabilities required for the role and the manner in which the proposed person meets such requirement	Mrs. Sanchi Taneja is a Commerce Graduate from Punjab University and Chartered Accountant. She has over 10 years of experience in the fields of Accounts, Direct and Indirect Taxation.



## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 43<sup>rd</sup> Annual Report on the affairs of the Company together with Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023.

**1. Financial Highlights** (₹ in Lakhs)

PARTICULARS	2022-23	2021-22
Revenue from operations (Net)	61,551.04	92,859.51
Other Income	615.82	307.56
<b>Total Income (1)</b>	<b>62,166.86</b>	<b>93,167.07</b>
<b>Expenses</b>		
Cost of material consumed	46,825.84	70,856.82
Purchase of traded goods	4,088.19	2.06
Changes in inventories of finished goods	2,126.15	(2,281.77)
Excise duty on sale of goods	-	-
Employee benefit expense	4,518.37	5,718.67
Finance costs	5,340.09	6,416.18
Depreciation and amortization expense	1,219.39	1,364.97
Other expenses	7,619.32	12,645.69
<b>Total Expenses (2)</b>	<b>71,737.35</b>	<b>94,722.62</b>
<b>Profit from operation before exceptional item and Tax (1-2)</b>	<b>(9,570.49)</b>	<b>(1,555.55)</b>
Exceptional Items: Income/(Loss)	9,719.63	-
<b>Profit before Tax</b>	<b>149.14</b>	<b>(1,555.55)</b>
Less: Tax Expenses:		
Current Tax	-	-
Deferred Tax (Credit)	-	-
<b>Profit after Tax</b>	<b>149.14</b>	<b>(1,555.55)</b>
<b>Other Comprehensive Income:</b>		
Re-measurement of defined benefit obligation	(23.81)	(15.11)
<b>Total Comprehensive Income for the Period</b>	<b>125.33</b>	<b>(1,570.66)</b>
Earning Per Share:		
Basic	0.67	(6.98)
Diluted	0.67	(6.98)

**Financial Performance & Review**

Your company achieved total revenue from operations of Rs. 61,551.04 lakh showing decline from last year's turnover of Rs. 92,859.51 lakh. EBITDA of the Company was Rs. 6,708.62 Lakh showing growth of 7.76% over last year's figure of Rs. 6225.60 Lakh. Operations of the company have resulted into net profit of Rs. 149.14 lakh against net loss of Rs. 1,555.55

lakh in previous year. Many external factors like instability in raw cotton prices, less sales realization coupled with internal liquidity issues have impacted the revenue of the company during the year under review. Consequently, turnover has gone down last year. Management is hopeful to emerge stronger this year despite challenging circumstances.

Earlier, the bank accounts of the company were classified as NPA by the Banks. The company had made efforts to resolve its debts with Banks. State Bank of India, United Bank of India, Canara Bank, Bank of Baroda, Bank of Maharashtra, Union Bank of India (formerly known as Andhra Bank and Corporation Bank) and Axis Bank have assigned our debt to Phoenix ARC Private Limited through Assignment Agreements. Some of the lenders had issued notices U/S 13(2) & 13(4) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 which were duly replied and proceedings are pending before Debt Recovery Tribunal (DRT), Chandigarh. Further, the company had settled its debts under OTS with Bank of India, Indian Bank (Allahabad Bank), Punjab National Bank (PNB), J & K Bank, Punjab & Sind Bank. Consequently, J & K Bank & PNB have withdrawn their earlier filed applications with National Company Law Tribunal, Chandigarh (NCLT) u/s 7 of Insolvency and Bankruptcy Code (IBC), 2016. Few Operational Creditors had also filed applications before NCLT for initiating Corporate Insolvency Resolution Process (CIRP). Due to settlement with them, all applications except one have been withdrawn. One application is still pending and will be withdrawn in due course.

**Consolidated Financial Statements**

Consolidated Financial Statements are not required as there is no subsidiary/ associate/ joint venture of the company.

**2. Change in Nature of Business**

During the year under review, there was no change in the nature of Business.

**3. Associate, Joint Venture and Subsidiaries**

There is no Subsidiary, Associate Company and Joint Venture of the Company.

**4. Material Subsidiaries:**

The Board of Directors of the Company in its meeting had approved the policy for determining Material Subsidiaries. At present the Company does not have any Subsidiary/ Material Subsidiary. The Policy on Material Subsidiary has been posted on the website of the Company at the following link: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Determination-of-Material-Subsidiary-Policy2022.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Determination-of-Material-Subsidiary-Policy2022.pdf)

**5. Transfer to Reserves**

The Company has not transferred any amount to the General Reserves during the year under review.

**6. Dividend**

Board of directors of the Company did not recommend any dividend for the year ended 31st March, 2023.

## 7. Directors & Key Managerial Personnel

Mr. Sandeep Mehta, Mr. Sanjeev Joshi and Mr. Sagar Bhatia were appointed under the category of Non-Executive Independent Directors by the shareholders in their AGM held on 26.09.2022, for a period of 4 years w.e.f 26.09.2022.

During the year under review, Mr. Hardeep Singh and Mr. Varun Kumar Choudhary, Independent Directors of the company have resigned from the directorship. Board places on record its sincere appreciation for their valuable contribution to the company.

Mr. Adish Oswal, Chairman and Managing Director of the company was reappointed with effect from 24.11.2022 for a term of 3 (Three) years from 24.11.2022 to 23.11.2025

Mr. Adish Oswal, is retiring by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment. The board recommends his re-appointment in the forthcoming AGM.

Mrs. Sanchi Taneja has been appointed as Additional Director under the category of Non-Executive Independent Director by the Board w.e.f. 18<sup>th</sup> July, 2023 till the conclusion of ensuing AGM. The Board of Directors recommends her appointment as a Director (Non-Executive Independent) of the Company to the members of the Company for their approval at ensuing AGM.

The detailed section on 'Board of Directors' is given in the separate section titled 'Corporate Governance Report' forming part of this Annual Report.

## 8. Declaration of Independence

The Board has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and regulation 16 of SEBI (LODR) Regulations, 2015. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made thereunder and are Independent of the management.

## 9. Number of Board Meetings

During the year ended 31st March, 2023, Five (5) meetings of the Board were held on the following mentioned dates:

SR. NO.	DATE OF BOARD MEETING
1	30/05/2022
2	23/06/2022
3	12/08/2022
4	14/11/2022
5	13/02/2023

## 10. Mechanism for evaluation of board, committees and individual directors

Pursuant to the provisions of the Companies Act, 2013 and regulation 17(10) of SEBI (LODR) regulations, 2015, a structured procedure was adopted after taking into consideration the various aspects of the Board's functioning, composition of the Board and its various Committees, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed in time. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expresses its satisfaction with the evaluation process.

The Nomination and Remuneration ("NR") Committee has laid down proper criteria and procedure to evaluate and scrutinize performance of the Chairperson, each Executive, Non-Executive and Independent director, Board as a whole and its Committees.

The Independent Directors in their meeting held on 13.02.2023, through discussion, evaluated the performance of non independent directors, Board, Managing Director and Executive Directors except the director being evaluated. The minutes of the said meeting were submitted to Chairman of the Company and also placed before the Board for their consideration. The Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committee. While evaluating the performance, the following points were considered:

- Participation in Board Meetings and Board Committee Meetings.
- Managing relationship with other directors and management.
- Knowledge and Skill i.e., understanding of duties, responsibilities, refreshment of knowledge, knowledge of industry, ability to listens and to present their views.
- Personal attributes like maintain high standard of ethics and integrity.
- Strategic perspectives or inputs regarding future growth of Company and its performance.

## 11. Familiarization programme for Independent Directors

During FY 2022-23, the Board including all Independent Directors were explained about their roles, rights, and responsibilities in the Company through detailed presentations as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board including all Independent Directors was provided with relevant documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices from time to time besides regular briefing by the members of the Senior Leadership Team. The Familiarization programme for Independent Directors is posted on the website [www.vpl.in](http://www.vpl.in) and can be viewed at the following weblink: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Familiarisation\\_Programme\\_ID\\_2022-23.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Familiarisation_Programme_ID_2022-23.pdf)

## 12. Remuneration Policy

Your Company has set up a Nomination and Remuneration ('NR') Committee pursuant to Section 178 of the Act which has formulated a policy for Directors' Appointment and remuneration for Directors, KMP and other employees. They have also developed the criteria for determining qualifications, positive attributes and independence of a Director including making payments to Non-Executive Directors.

NR Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages. Further the compensation package for Directors, Key Managerial Personnel, Senior Management and other employees are designed based on the following set of principles:

- Aligning key executive and Board remuneration with the long term interests of the Company and its shareholders;
  - Minimise complexity and ensure transparency;
  - Link to long term strategy as well as annual business performance of the Company;
  - Promotes a culture of meritocracy and is linked to key performance and business drivers;
- and**
- Reflective of line expertise, market competitiveness so as to attract the best talent.

Your directors affirm that the remuneration paid to employees, KMP and Directors is as per the Remuneration Policy of the Company. The Remuneration Policy of the Company is enclosed as Annexure- A.

### **13. Directors' Responsibility Statement**

Pursuant to Section 134 of the Act, the Directors state that:

- a) in the preparation of the annual accounts for the Financial Year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) appropriate accounting policies have been selected and applied consistently by and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the profit and loss of the Company for the year ended 31<sup>st</sup> March, 2023;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts for the financial year ended 31<sup>st</sup> March, 2023 have been prepared on a going concern basis;
- e) proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **14. Management Discussions and Analysis Report**

Management Discussions and Analysis Report as required, pursuant to Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed and forms part of this Report.

### **15. Frauds reported by statutory auditors**

During the financial year under review, the statutory auditors have not reported any fraud under sub section (12) of Section 143 of the Companies Act, 2013.

### **16. Amounts due to micro, small and medium enterprises**

Based on the information available with the company regarding the status of the suppliers under the MSME, there are no dues outstanding to Micro and Small Enterprises as at 31<sup>st</sup> March 2023.

### **17. Corporate Governance**

The Company has complied with the Corporate Governance requirements, as stipulated in Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. A separate section on Corporate Governance along with a certificate from the Auditors of the Company confirming the compliance is annexed and forms part of this Report.

The Board has also evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code of Conduct is available on the Company's website at [www.vpl.in](http://oswalgroup.com/investor_pdf/corporate-policy/Code-of-Conduct-or-Ethics-Policy.pdf) and can be viewed at: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Code-of-Conduct-or-Ethics-Policy.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Code-of-Conduct-or-Ethics-Policy.pdf)

### **18. Material Changes and commitments**

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company – 31<sup>st</sup> March, 2023 and the date of this Report.

### **19. Disclosure under the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017**

During the year under review, no complaints were received under the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017.

### **20. Changes in Capital Structure**

During the year under review, there was no change in the paid up capital of the company.

However, on 27<sup>th</sup> June, 2023, 1,30,00,000 Warrants have been allotted to the non-promoters on preferential basis. These warrants are convertible into equity shares of Rs. 10 each at a premium of Rs. 30.50 per share within 18 months from the date of allotment.

### **21. Particulars of loans, guarantees and investments u/s 186**

Amount outstanding as on March 31, 2023

(₹ In Lakh)

Particulars	Amount
Loans given	Nil
Guarantees given	Nil
Investments made	0.62

During the FY 2022-23, there are no transactions pertaining to Loans, Guarantees given or Investments made.

**22. Related Party Transactions**

During FY 2022-23, all contracts/ arrangements/ transactions entered into by your Company with related parties under Section 188(1) of the Act were in the ordinary course of business and on an arm’s length basis. During FY 2022-23, your Company has not entered into any transactions with related parties which could be considered ‘material’ as per Regulation 23 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 so there is no need to report any transaction in AOC-2.

Further, during FY 2022-23, there were no materially significant related party transactions made by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee for its approval. During the year under review, the Audit Committee has approved transactions through the Omnibus mode in accordance with the provisions of the Act and Listing Regulations. Related party transactions were disclosed to the Board on regular basis as per IND AS 24. Details of related party transactions as per IND AS 24 may be referred to in Note 45 of the Financial Statements.

The policy on Related Party Transactions is available on the Company’s website at [www.vpl.in](http://www.vpl.in) and can be viewed at: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Policy-on-dealing-with-Related-Party-Transactions2022.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Policy-on-dealing-with-Related-Party-Transactions2022.pdf)

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except the remuneration received by respective directors.

**23. Risk Management System**

Your Company follows a comprehensive system of Risk Management and has adopted a procedure for risk assessment and its minimization. It ensures that all the risks are timely defined and mitigated in accordance with the Risk Management Process, including identification of elements of risk which might threaten the existence of the Company. Your Company constituted a Risk Management Committee which intensely monitors the Risk Management Process in the Company and the same is periodically reviewed by the Board. The risk management policy of the company is placed at the website of the company [www.vpl.in](http://www.vpl.in) and can be viewed at: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Risk-Management-Policy.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Risk-Management-Policy.pdf)

**24. Vigil Mechanism/ Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a vigil mechanism/ whistle blower policy wherein the employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of person reporting violation is maintained and he is not subjected to any discriminatory practice. No person has been denied access to the chairman of Audit Committee. The vigil mechanism policy is available at Company’s website [www.vpl.in](http://www.vpl.in) and can be viewed at: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Vigil-Mechanism-Policy.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Vigil-Mechanism-Policy.pdf)

**25. Internal financial controls & their adequacy**

The Company has a proper and adequate system of internal controls. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. An extensive programme of internal audits and management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

**26. Insider Trading Code**

In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code laid down guidelines, which advised them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioned them on consequences of non-compliances.

Further, the Company has put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information. Both the aforesaid Codes are in lines with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code of conduct of the company for prevention of insider trading is placed at the website of the company under the following link: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Code-for-prevention-of-Insider-Trading-2607.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Code-for-prevention-of-Insider-Trading-2607.pdf)

**27. Corporate Social Responsibility**

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises following directors as on 31st March, 2023:

Sr. No.	Name of Director	Designation in the Committee
1.	Mr. Adish Oswal	Chairman
2.	Mrs. Manju Oswal	Member
3.	Mr. Sandeep Mehta	Member

The Company considers Corporate Social Responsibility (CSR) as social obligation, sustainable development, regulatory environment, human resource management, safety health & environment and a part of Corporate Governance and accordingly your Company has formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at [www.vpl.in](http://www.vpl.in) and can be accessed at the link: [http://oswalgroup.com/investor\\_pdf/corporate-policy/CSR-Policy-2021.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/CSR-Policy-2021.pdf)



The company undertake to do the following activities:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Caste, Tribes, other backward classes, minorities and women;
- Contributions to incubators or research and development projects in the field of Science, technology, engineering and medicine, funded by Central Government of State Government or Public sector undertaking or any agency of Central Government of State Government and
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council

of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- Rural development projects
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

The Annual Report on Corporate Social Responsibility Activities is annexed herewith as Annexure- B and forms an integral part of this report.

## 28. Audit Committee

The Audit Committee of the Company comprised of the following Non-Executive and Independent Directors as on 31<sup>st</sup> March, 2023:

1	Mr. Sandeep Mehta	Chairperson
2	Mrs. Manju Oswal	Member
3	Mr. Sanjeev Joshi	Member

The details about Audit Committee and its terms of reference etc. have been given in Corporate Governance Report. During the Year under review, there was no such recommendation of the Audit Committee which was not accepted by the Board.

## 29. Auditors:

### i) Statutory Auditors

M/s. Romesh K. Aggarwal and Associates, Chartered Accountants, Ludhiana (Firm Registration No. 000711N), Chartered Accountants were appointed as statutory auditors of the Company at 40<sup>th</sup> Annual General Meeting held on 29.09.2020 for a period of five years i.e., till the conclusion of 45<sup>th</sup> AGM of the Company.

The observations of Auditor in their Report read with the relevant notes to accounts are self explanatory and therefore do not require further explanation pursuant to Section 134(3)(f)(i) and require no comments except the following observation:

*"Note No. 49 of the Ind AS financial statements regarding crediting a profit of Rs 396.44 lakhs due on payment of FCCB liability to the statement of profit & loss during the year ended March 31, 2017 which should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 221.53 Lacs as on March 31, 2023 is not in compliance with the requirements of para 27 of the Ind AS 1- Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis. Consequently, the profit and loss has been overstated by the above mentioned amount. The Company has settled the matter with Axis bank where in a payment plan has been agreed (Final payment date being 30th September 2024) and the company is making payment as per the plan.*

*We further report that, had the impact of our observations made in para above been considered, the net loss and the net worth, for the period ended, would have increased and decreased respectively by Rs. 396.44 lakhs."*



The Management hereby states that the company had credited the amount on the basis of settlement of FCCB liability repayment of the same has been delayed due to liquidity crisis. Further, the company has settled the matter with Axis Bank wherein a payment plan has been agreed (Final payment date ' being 30<sup>th</sup> September 2024) and the company is making payment as per the plan.

**ii) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Khanna Ashwani & Associates, Practicing Company Secretary, Ludhiana to conduct the secretarial audit of the Company for the financial year 2022-23, and reappointed the same for FY 2023-24 also.

Report of the secretarial auditor is annexed herewith as 'Annexure- C', which forms part of this report. Secretarial Audit Report is self-explanatory and there are no such observations/remarks made by the Secretarial Auditors' in their report which needs further explanation.

**iii) Cost Auditors**

M/s Ramanath Iyer & Company, Cost Accountants, New Delhi were appointed as the Cost Auditors of the Company for FY 2022-23 to audit the cost accounts of the Company. The Board of Directors has re-appointed M/s Ramanath Iyer & Company, Cost Accountants, New Delhi, as the Cost Auditors of the Company to conduct cost audit for the financial year ended 31<sup>st</sup> March, 2024. As per the requirement of Section 148 of the Companies Act, 2013 read with rules made there under, the remuneration to be paid to them is placed for the ratification by the members at this ensuing Annual General Meeting. The company has maintained cost records as prescribed under the Companies Act.

**30. Compliance to Secretarial Standards**

The company has duly complied with the applicable Secretarial Standards during the FY 2022-23.

**31. Deposits from Public**

The Company has not accepted any deposits from public during the year and as such no amount on account of principal or interest on public deposits was outstanding as on the date of balance-sheet.

**32. Listing of securities**

The shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and BSE Limited. The Company has paid annual listing fee to exchanges for the year 2022-23.

**33. Human Resources Management**

Your Company gives utmost importance to human resource. It considers "Human Resource as Human Capital" and believes in the development of Human Resource. The Company strongly believes in the Performance Management System and always tries to explore and tap high potential at the Group level to meet new challenges and competition.

Our main tool is training and developing talent at various levels. Internal and external trainings are regularly organized for the development of the members/employees.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as 'Annexure-D'.

**34. Safety, Health & Environment**

The Company's top priority is safety, with regard to employment. It encourages safety measures at all operational levels, especially at floor level. Regular training programs are conducted to create awareness about the importance of safety at work. Medical Camps are organized periodically for welfare of the members. Additionally, regular medical facilities are also provided to them.

**35. Prevention of Sexual Harassment at workplace**

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Internal Complaints Committees have been framed at various locations to redress complaints of sexual harassment. The Company has not received any complaint related to sexual harassment during the year.

**36. Energy conservation, technology absorption and foreign exchange earnings and outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure- E'.

**37. Annual Return**

The Annual Return (Form MGT-7), as required under Section 92 of the Act read with rules, is available on the Company's website viz. [http://oswalgroup.com/investor\\_pdf/Annual-Return-2022.pdf](http://oswalgroup.com/investor_pdf/Annual-Return-2022.pdf)

**38. Company Petition**

Vardhman Polytex Ltd (VPL) being erstwhile holding company of FM Hammerle Textiles Limited had filed a petition u/s 397, 398 of the erstwhile Companies Act, 1956 in the Hon'ble Company Law Board, Principal Bench, New Delhi against minority shareholder of FMH-Maschinen Umwelttechnik Transportanlagen Gesellschaft mbH, Austria [(MUT)- another shareholder], IRIS Textile GmbH (erstwhile foreign Collaborator), Mr. Josef Hahn, Director and Mr. Ishwinder Maddh (erstwhile Alternate director to Mr. Josef Hahn) alleging that the activities and acts of Mr. Josef Hahn and Mr. Ishwinder Maddh are in the manner oppressive to VPL. VPL also filed petition before the CLB to declare that allotment of 1,90,15,920 shares to IRIS (presently held by MUT) as void ab initio for want of consideration and rectify the register by cancelling the allotment made to IRIS. In furtherance of the petition filed by the Company, the MUT filed an application against OFMHT for oppression and mismanagement. The Company Law Board (CLB) vide its

consolidated order dated 13.08.2015 has dismissed all the petitions. The matter pertaining to rectification of register of members was disposed off against VPL. The same was challenged before the Punjab & Haryana High Court at Chandigarh and a stay was granted in the matter by the Hon'ble High Court. In response to the order of CLB dated 13.08.2015, HahnI Group filed two applications at CLB for execution of above CLB order and for amendment/rectification in the order. Also MUT had got an order dated 13.10.2017 from Supreme Court of India for adding Vardhman Polytex limited as a party to purchase the shares pursuant to CLB Order dated 13.08.2015. Punjab & Haryana High Court, Chandigarh vide its interim order dated 04-12-2019 has directed to determine the market value of shares held by minority shareholders of FM Hammerle Textiles Ltd. Resolution plan of FMH was approved on 13.03.2020 by NCLT vide which existing shares of FMH have extinguished. As per Supreme Court order VPL and MUT shared equally the fees paid to E & Y for valuation of shares of FMH and valuation report was duly submitted to Punjab & Haryana High Court at Chandigarh. Later, all appeals/applications filed with Punjab & Haryana High Court at Chandigarh in this regard have been disposed off. Now, MUT has filed an application with NCLT, Chandigarh for execution of CLB order dated 13.08.2015. The matter is sub judice.

**39. Significant and material orders passed by the regulators or courts or tribunals**

Except as stated in the report, there are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

**40. Acknowledgements**

Your directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, Bankers and Business Constituents for their continued and valuable co-operation and support to the Company. They also take this opportunity to record their appreciation of the valuable contribution made by the employees in the successful operations of the Company during the year.

For and on behalf of the Board

Sd/-

(Adish Oswal)

Chairman and Managing Director

(DIN-00009710)

Date: 18<sup>th</sup> July, 2023

Place: Ludhiana

## NOMINATION AND REMUNERATION POLICY

### APPLICABILITY

The policy is applicable to the Board of Directors, Key Managerial Personnel (KMP), Chief Operating Officer, and Senior Management Personnel (herein after collectively referred as Managerial Personnel) or such other persons of the Company as the committee may deems fit for that purpose.

### INTERPRETATION

**'Board'** shall mean the Board of Directors of the Company, which comprising all executive, non executive, independent director and nominee director.

**'Chief Executive Officer'** means an officer of a company, who has been designated as such by it.

**'Chief Operating Officer'** shall mean an employee who has been entrusted responsibility of managing any one or more of Units of the Company.

**'Chief Financial Officer'** means a person appointed as the Chief Financial Officer of a Company.

**'Compliance Officer'** means "Company Secretary" of the Company.

**'Key Managerial Personnel'** in relation to a company means:

- Managing Director, or Chief Executive Officer or manager and in their absence, a Whole Time Director.
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed.

**'The Company'** shall mean Vardhman Polytex Ltd.

**'Executive Director'** shall mean and include Company's Managing Director, Functional Directors, and such other Directors who are in full time employment of the Company.

**'Independent Director'** shall have same meaning as provide in Companies Act, 2013 read with SEBI (LODR) Regulations, 2015.

**'Non-Executive Director'** shall mean those members on Board who are not in whole time employment of the Company.

**'Senior Management Personnel'** shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

### ROLE OF THE COMMITTEE

The role of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become directors, persons who may be appointed in senior management in accordance with the criteria and to recommend to the Board for their appointment and / or removal.
2. To carry out evaluation of every director's performance.
3. To establish criteria and processes for, and assist the Board and each of its Committees in their performance evaluations.
4. To formulate the criteria for determining qualifications,

positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

5. To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s), based on their performance and defined assessment criteria.
6. To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:
  - the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;
  - the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
  - the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
  - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others; and
  - the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cash less exercise of options;
  - To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
  - To perform such other functions as may be necessary or appropriate for the performance of its duties.

### IMPLEMENTATION OF POLICIES

The Committee will seek to ensure that the remuneration of executive directors (consisting of basic salary, pension benefits and benefits in kind) will be competitive with those in other comparable organizations so as to attract high caliber individuals with relevant experience.

The Committee will ensure that part of the remuneration of executive directors will be based on the financial performance of the Group using predetermined targets so as to motivate and reward successful business performance in the interest of shareholders.

### AUTHORITY

The Committee is authorised:

- to seek any information it requires from any employee of any company within the Group in order to perform its duties;

- to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference; and
- to call any member of staff to be questioned at a meeting of the Committee as and when required.

## FREQUENCY OF MEETINGS

The Committee shall meet as per the requirement of Companies Act, 2013 rules made there under read with requirement of SEBI (LODR) Regulations, 2015.

## PRESENCE IN ANNUAL GENERAL MEETING

The Chairman of the Committee or, in his absence any other member of the committee as authorized shall attend the Annual General Meeting.

## ANNUAL AFFIRMATION

The policy shall be disclosed in the Board Report of the Company.

## CRITERIA TO EVALUATE PERFORMANCE

### a) Selection Criteria for Directors

The Company shall consider the following aspects while appointing a person as a Director on the Board of the Company:

**Skills and Experience:** The candidate shall have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company's business.

**Age Limit:** The candidate should have completed the age of twenty one (21) years and should not have attained the age of seventy (70) years. In case any director has attained age of 70 year, he can be appointed as director with the permission of board.

**Conflict of Interest:** The candidate should not hold Directorship in any competitor company, and should not have any conflict of interest with the Company.

**Directorship:** The number of companies in which the candidate holds Directorship should not exceed the number prescribed under the Act or under the SEBI (LODR) Regulations, 2015 requirements.

**Independence:** The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Act or under the SEBI (LODR) Regulations, 2015 requirements.

### b) Selection Criteria for Senior Management

As per Selection Criteria Senior Management shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions. The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

### c) Remuneration for Directors, KMP and other Employees

The policy provides that the remuneration of Directors, KMP and other employees shall be based on the following key principles:

- Pay for performance: Remuneration of Executive Directors, KMP and other employees is a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal. The sitting fee shall be paid to Non-Executive Directors to be decided by the Board from time to time.
- Balanced rewards to create sustainable value: The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors and employees of the Company and encourage behavior that is aligned to sustainable value creation.
- Competitive compensation: Total target compensation and benefits are comparable to peer companies in the textile industry and commensurate to the qualifications and experience of the concerned individual.
- Business Ethics: Strong governance processes and stringent risk management policies are adhered to, in order to safeguard our stakeholders' interest.

### d) Performance Evaluation

The process approved by the Nomination and Remuneration Committee requires the Chairman to initiate the performance evaluation process in the month of April every year. The performance evaluation is conducted based on approved criteria in the evaluation forms. The process highlights are as under:

- Board:** Each Board member completes the self-evaluation form. Independent Directors discuss the self-evaluation forms in a separate meeting and share their feedback with the Chairman of the Company. The Chairman discusses with the entire Board at the Board Meeting.
- Committees:** Each Committee member completes the self-evaluation form and shares feedback with the Chairman of the Committee. The Chairman of the Committee discusses the evaluation form analysis with the Managing Director and later with the entire Board at the Board Meeting.
- Chairman and Executive Directors:** Each Board member completes the peer valuation form. Independent Directors discuss the peer evaluation forms in a separate meeting and share their feedback with the Chairman. The Chairman conveys feedback individually to the concerned Directors.
- Independent Directors:** Each Board member completes the peer evaluation and shares feedback with the Chairman. The Chairman conveys feedback individually to the concerned Directors.

## AMENDMENT

The member of the Nomination and Remuneration Committee of the Company has the right to amend or modify this policy in whole or in part, at any time without assigning any reason, whatsoever.

### ANNUAL REPORT ON CSR ACTIVITY

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

Vardhman Polytex Limited (VPL) believes in corporate excellence and social welfare. This corporate philosophy is the force for integrating Corporate Social Responsibility (CSR) into Company's values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, VPL has a value system of giving back to society and improving life of the people and the surrounding environment. The Company's CSR initiatives are inspired by the opportunity to contribute to a more secure and sustainable future. VPL believes that the corporate strategy which embraces social developments as an integral part of the business activities ensure long term sustainability of business enterprises. With this belief, the Company is committed to make substantial improvements in the social framework of the nearby community. Looking at the social problems which the country faces today, the contribution by any corporate may look tiny. However, we believe that every such contribution shall bring a big change in our society. VPL will implement CSR programmes through Company personnel, or through external implementing agencies, and ensure proper governance, monitoring and reporting thereof.

The policy is available on the website of Company: [www.vpl.in](http://www.vpl.in) at [http://oswalgroup.com/investor\\_pdf/corporate-policy/CSR-Policy-2021.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/CSR-Policy-2021.pdf)

**2. Composition of CSR Committee**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Adish Oswal	Chairman	2	2
2	Mr. Sandeep Mehta	Member	2	2
3	Mrs. Manju Oswal	Member	2	2

**3. Composition of CSR Committee is also available on website of Company: [www.vpl.in](http://www.vpl.in) at [http://oswalgroup.com/investor\\_pdf/corporate\\_governance/VPL\\_Committees\\_12.08.2022.pdf](http://oswalgroup.com/investor_pdf/corporate_governance/VPL_Committees_12.08.2022.pdf)**

**4. Impact assessment of CSR projects: N.A**

**5. Details of the amount available for set off in pursuance of Rule 7(3):**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1		NIL	NIL
2			
	<b>Total</b>		

**6. Average Net Profit/ (Loss) of the Company for last three Financial Years: (Rs. 2358.54 Lakh)**

7. A) Two percent of average net profit: N.A.  
 B) Surplus arising out of CSR projects/ programmes/ activities of the previous year: N.A.  
 C) Amount required to be set off for the financial year, if any: N.A.  
 D) Total CSR obligation for the financial year (a+b-c): N.A



8. A) CSR amount spent or unspent for the financial year: N.A  
 B) Details of CSR amount spent against ongoing projects for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account		Amount transferred to any fund specified under Schedule VII		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
N.A.					

- C) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Project Name	Item from the list of schedule VII	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount transferred to Unspent CSR Account for the Project	Mode of implementation-Direct (Yes/No)	Mode of implementation-through Implementing Agency	
				State	District					Name	CSR Reg. No.
1											
2											
3											
4											
	<b>TOTAL</b>										

- D) Details of CSR amount spent against other than ongoing projects for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account		Amount transferred to any fund specified under Schedule VII		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
N.A.					

- E) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Project Name	Item from the list of schedule VII	Local area (Yes/No)	Location of the Project		Amount spent for the project	Mode of implementation-Direct (Yes/No)	Mode of implementation-through Implementing Agency	
				State	District			Name	CSR Reg. No.
1									
2									
3									
4									
	<b>TOTAL</b>								

- F) Amount spent in Administrative Overheads: N.A.
- G) Amount spent on Impact Assessment, if applicable: N.A.
- H) Total amount spent for the Financial Year: Nil
- I) excess amount for set off, if any:

Sr. No.	Particular	Amount (in Lakh)
1	Two percent of average net profit of the company	—
2	Total amount spent for the Financial Year	—
3	Excess amount spent for the Financial Year (2-1)	—
4	Surplus arising out of the CSR projects/ programmes/ activities of the previous years, if any	—
5	Amount available for set off in succeeding financial years (3-4)	—

**A) Details of Unspent CSR amount for the preceding three financial year:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII, if any			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1							
2							
3				N.A.			
	<b>Total</b>						

**B) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sr. No.	Project ID	Name of Project	Financial year in which project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting FY (in ₹)	Cumulative amount spent at the end of reporting FY (in ₹)	Status of the project (Completed/ On going)
1								
2								
3					N.A.			
	<b>Total</b>							

**9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** N.A.

- A) Date of Creation or acquisition of the capital asset(s):
- B) Amount of CSR spent for creation or acquisition of capital asset:
- C) Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc.:
- D) Provide details of capital asset(s) created or acquired (including complete address and location of the capital asset):

**10. Specify the reason(s), if the company has failed to spend two percent of the average net profit: Not Applicable, in view of point 6 & 7 as mentioned above.**

For and on behalf of the board

Sd/-

**Adish Oswal**

Chairman and Managing Director

DIN: 00009710

Date: 18<sup>th</sup> July, 2023

Place: Ludhiana

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2023.**

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

To,  
 The Members,  
**Vardhman Polytex Limited.**  
**Vardhman Park, Chandigarh Road,**  
**LUDHIANA-141123, Punjab (India).**

We have conducted the secretarial audit compliance of applicable statutory provisions and the adherence to good corporate practices by **Vardhman Polytex 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 **Vardhman Polytex Limited** books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31.03.2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute book, forms and returns filed and other records maintained by the company for the financial year ended on **31.03.2023** 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;
- (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, 2018; not applicable to the company during period of audit.

- (d) The Securities and Exchange Board of India SEBI (**Share Based Employee Benefits and Sweat Equity**) Regulations 2021; not applicable during the period of audit.
- (e) The Securities and Exchange Board of India (**Delisting of Equity Shares**) Regulations, 2021; not applicable to the company during period of audit.
- (f) Securities and Exchange Board of India (**Issue and Listing of Non-Convertible Securities**) Regulations, 2021;
- (g) The Securities and Exchange Board of India (**Issue and Listing of Debt Securities and Security Receipts**) Regulations, 2008;
- (h) The Securities and Exchange Board of India (**Registrar to an Issue and Share Transfer Agents**) Regulations, 1993 regarding the Companies Act and dealing with client;
- (i) The Securities and Exchange Board of India (**Delisting of Equity Shares**) Regulations, 2009; not applicable to the company during period of audit.
- (j) The Securities and Exchange Board of India (**Buyback of Securities**) Regulations, 1998; not applicable to the company during period of audit. and
- (k) Listing Agreement and SEBI (**Listing Obligations and Disclosure Requirements**) Regulations 2015 (effective 1<sup>st</sup> December 2015)

I have also examined compliance with the applicable clauses of the following:

- (i) **Secretarial Standards** issued by The Institute of Company Secretaries of India (ICSI) - ICSI had issued Secretarial Standards numbering 1 and 2 corresponding with reference to the provisions of the **Companies Act, 2013** (effective 1 July 2015) and the Management adheres to them;
- (ii) The **Listing Agreements** entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

(vi) **Other Applicable laws**

I further report that, we were unable to do factory visits, henceforth we are relying upon the certificate issued by Plant head dated 20.05.2023 that the Company has complied with the following laws applicable specifically to the Company:

1. The Factories Act 1948 and Rules framed there under
2. The Contract Labour (Regulation & Abolition) Act – 1970
3. Apprentices Act, 1961 read with Apprenticeship Rules, 1992

4. Employees Provident Fund and Miscellaneous Provisions Act, 1952
5. The Employees State Insurance Act, 1948, Employees State Insurance (Central) Rules, 1950 and Employees State Insurance (General) Regulations, 1950
6. Employment Exchanges Compulsory Notification of Vacancies Act, 1959 and the Employment Exchanges Compulsory Notification of Vacancies Rules, 1960
7. Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976
8. Minimum Wages Act, 1948 read with State Minimum Wages Rules framed thereunder.
9. The Payment of Gratuity Act, 1972 read with State Payment of Gratuity Rules framed thereunder.
10. Child Labour (Prohibition and Regulation) Act, 1986 read with Child Labour (Prohibition and Regulation) Rules, 1988.
11. Payment of Wages Act, 1936 read with State Payment of Wages Rules framed thereunder.
12. The Payment of Bonus Act, 1965 read with the Payment of Bonus Rules, 1975
13. Industrial Employment (Standing Orders) Act, 1946 read with State Industrial Employment (Standing Orders) Rules
14. The Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act 2013

#### Environmental, Health and Safety Laws:

15. Environment Protection Rules, 2002
16. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
17. Noise Pollution (Regulation and Control) Rules, 2000
18. Air (Prevention and Control of Pollution) Act, 1981 read with State Air (Prevention and Control of Pollution) Rules:
19. Water (Prevention and Control of Pollution) Act, 1974 read with State Water (Prevention and Control of Pollution) Rules:
20. Water (Prevention and Control of Pollution) Cess Act, 1977 read with Water (Prevention and Control of Pollution) Cess Rules, 1978

Further, We have not visited the factory units situated at:-

- i) Vardhman Polytex Limited, Village Nangal Nihla/Upperla, Swarghat Road, Nalagarh – 174101 (HP)

- ii) Unit – Vinayak Textiles Mill, D-295/1, Focal Point, Phase-8, Ludhiana East, Ludhiana IV, Ludhiana, Punjab, India.
- iii) Amkryon International, HB-22, Phase –VI, Focal Point, Ludhiana - 141010

We are issuing this report on the basis of compliance certificates provided by the functional heads of different departments of the Company and Manager which were produced before the Board through agenda papers.

#### We further report that;

As confirmed by the management of the company

- Few Operational Creditors had filed applications before NCLT for initiating Corporate Insolvency Resolution Process (CIRP). Due to settlement with them, all applications except one have been withdrawn. One application is still pending and will be withdrawn in due course.
- State Bank of India, United Bank of India, Canara Bank, Bank of Baroda, Bank of Maharashtra, Union Bank of India (formerly known as Andhra Bank and Corporation Bank) and Axis Bank have assigned the respective debt of company to Phoenix ARC Private Limited through Assignment Agreements.
- Further, the company had settled its debts under OTS with Bank of India, Indian Bank (Allahabad Bank), Punjab National Bank (PNB), J & K Bank, Punjab & Sind Bank.
- **Adequate notice** is given to all directors to schedule the **Board Meetings, Agenda** and detailed **notes** on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Sd/-

(Ashwani Kumar Khanna)

FCS No. 3254

CP No. 2220

UDIN: F003254E000393413

Place: Ludhiana

Date: 26/05/2023

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



To,  
The Members,  
**Vardhman Polytex Limited.**  
**Vardhman Park, Chandigarh Road,**  
**LUDHIANA-141123, Punjab (India).**

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. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We were unable to do physical verification of the records and have relied upon the information being supplied and provided by the management of company and the verification of the record/information supplied to us done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company and had relied upon the reports been issued by the statutory auditors of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc and we have relied on such representation for giving our report.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with the management has conducted the affairs of the Company.

**Place: Ludhiana**  
**Date: 26/05/2023**

Sd/-  
**(Ashwani Kumar Khanna)**  
FCS No. 3254  
CP No. 2220  
UDIN: F003254E000393413



## Particulars of Employees

*Details pertaining to remuneration under Section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

1. a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

S.No.	Particulars	Ratio to Median Remuneration	% increase in remuneration in the financial year
1.	Mr. Adish Oswal* Chairman & Managing Director	-	-
2.	Mr. Radhamohan Soni (Chief Financial Officer)	-	12.00%
3.	Mr. Ajay K. Ratra (Company Secretary)	-	19.12%

**Note:** *The Company pays sitting fee only to Non-executive directors.*

\* Mr. Adish Oswal is not getting any remuneration in the capacity of Managing Director. However, taking into account the professional competence of Mr. Adish Oswal in running of plant operations of the company, he has been given additional charge as Chief Operating Officer (COO) of the Company and he drew remuneration of Rs. 10 Lakh P.M. during the FY 2022-23 in the capacity of COO. In the ensuing AGM, it is proposed to pay remuneration in the capacity of Managing Director as per item no.3 of AGM Notice.

- b) The median remuneration of employees of the company during the financial year: 10,991.86  
c) The percentage increase in the median remuneration of employees in the financial year: 5.49%  
d) Number of permanent employees on the rolls of company as on 31<sup>st</sup> March, 2023: 2,076  
e) The average annual increase in the salaries of employees other than managerial personnel during the financial year was around: 10%  
f) The company hereby affirms that the remuneration is as per the remuneration policy of the company.
2. Information as per rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- a) Details of the top ten employees (permanent) in terms of remuneration drawn during the year ended 31<sup>st</sup> March, 2023

Sr. No.	Name of Employee	Date of Birth	Designation	Qualification	Total Experience (In Years)	Date of commencement of employment in VPL	Remuneration drawn (CTC) during the year (₹ in Lakh)	Previous employer
1	Mr. Adish Oswal	18.01.1980	Chief Operating Officer	B.Com	20	27.03.2003	120.00	-
2	Mr. Amitabh Singh Dagar	09.11.1973	GM (Operations)	B.Tech	28	27.09.2003	27.80	Arihant Spinning Mills
3	Mr. Rajesh Lakshmanan	02.05.1979	Vice President	MBA	20	14.02.2022	27.00	Star Union Dai Ichi
4	Mr. Vijay Arora	02.03.1970	Associate Vice President	B.Com, LLB	28	20.10.1998	26.26	Annant Spinning Mills
5	Mr. Amit Pandey	24.10.1973	General Manager-Operation	B.Tech Textile Technology	28	01.03.1997	24.00	Delhi Cloth Mills
6	Mr. Akhilesh Shukla	25.06.1982	Associate General Manager	B.Tech	21	01.01.2021	23.90	Vardhman Amrante Private Limited
7	Mr. Radhamohan Soni	20.09.1971	Chief Financial Officer	B.com, ICWA	27	08.05.2006	21.00	Kundan Edible Products Limited

Sr. No.	Name of Employee	Date of Birth	Designation	Qualification	Total Experience (In Years)	Date of commencement of employment in VPL	Remuneration drawn (CTC) during the year (₹ in Lakh)	Previous employer
8	Mr. Ajay Kumar Ratra	30.09.1970	Company Secretary	B.Com, CS	28	01.11.2018	20.25	Lakshmi Energy and Foods Limited
9	Mr. Abhay Janardhan Munje	28.08.1971	Vice President	MBA- IT	24	08.08.2022	19.44	Jakson Group
10	Mr. Pradipta Chakraborty	31.10.1975	Associate General Manager	B.Tech	23	01.10.2016	18.30	FAR Group

**Note:**

- All are permanent employees, and are governed by letter of employment.
- No employee of the company holds such percentage of equity shares within the meaning of clause (iii) of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- No employee is relative of any director or manager of the Company except Mr. Adish Oswal being son of Mrs. Manju Oswal.

**b) Details of employees who are getting remuneration of ₹ 1,02,00,000 or more Per Annum or ₹ 8,50,000/- or more per month**

Sr. No.	Name of Employee	Date of Birth	Designation	Qualification	Total Experience (In Years)	Date of commencement of employment in VPL	Remuneration (CTC) drawn during the year (₹ in Lakh)	Previous employer
1	Mr. Adish Oswal	18.01.1980	Chief Operating Officer	B.Com	20	27.03.2003	120	-

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

### 1. Conservation of energy:

The company initiated several steps to conserve energy, wherever possible. The Energy Conservation Cell

continuously meets, conducts studies, verifies and monitors the consumption and utilization of energy including identification of energy conservation areas in the different manufacturing units of the Company.

#### (a) Energy conservation measures taken, its impact and capital Investment on equipment:

Energy saving measures taken in 2022-23	Power saving (Units/KWH in Lakhs)	Investment (₹ in lakh)
Plugged the leak of Compressed air and Pressure booster installed at Autoconer AC6	The units were saved by plugging the leakage of compressed air and Pressure Booster. Saving : 125 Cfm/day and Units : 578.75 Kwh/day	4.20
Replaced the 70 watt sodium vapour street light with LED street light 45 watt – 12 Nos.	Units were saved by replacing street lights 12 Nos. Saving : 3.3 Units/day	0.18
Yarn Conditioning Plant operated on Heater (Previously running on Steam).	Units saved on heater Saving : 733.954 Units/day	0.83
Amkryon baby boiler started working on the heaters and stopped using steam from the 08T boiler.	Units saved by starting baby boiler on heater. Saving : 110.224 units/day	0.11
Delay start of Fan Motor of Simplex machine after every doff.	Units saved by delay start of simplex machines. Saving : 9.0 Units/day	0.09

#### (b) Steps taken by the Company for utilizing the alternative sources of energy

1. Controlling Compressed air leakages
2. Usage of heater in place of steam.
3. Delay start of Fan motor of machine.
4. Replacement of sodium vapour lights with LED light

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A

#### (c) Expenditure on R&D

₹ in lakh

Particulars	2022-23	2021-22
Capital	0	0
Recurring	3.81	2.05
<b>Total</b>	<b>3.81</b>	<b>2.05</b>
As % of Turnover	<b>0.006</b>	<b>0.002</b>

### 2. Technology Absorption:

#### Efforts -Research and Development (R&D)

##### a) Specific areas in which R&D is carried out

The Company's R&D/QC teams regularly focused on product development, process improvement and quality control at every stage of production. The Company has given more attention on value addition by converting part of carded production into combed, process re-engineering to improve product performance in today's high speed fabrication machineries in the subsequent value chains– both technically & commercially, thereby increasing product range & achieving customer satisfaction.

##### b) Benefits derived as result of R&D

The Company initiated the value addition and upgraded varieties of normal yarn as a result of effective R&D techniques and maintaining consistent quality. It has been able to improve quality & reduce market feedbacks without compromising on productivities.

**Technology imported (imported during the last three years reckoned from the beginning of the financial year)- None**

- (a) the details of technology imported; N.A
- (b) the year of import; N.A
- (c) whether the technology been fully absorbed: Yes

#### 3. Technology absorption, adaptation and innovation

Technology upgradation is one of the major areas for development in today's competitive business environment. Mechanical, electrical engineering and R&D teams at different locations are continuously studying and analyzing the existing processes for further improvement.

#### 4. Foreign exchange earnings, CIF value of import & expenditure in foreign currency

(₹ in lakh)

Particulars	2022-23	2021-22
Earnings (FOB value of exports)	-	-
CIF value of imports	-	-
Expenditure in foreign currency	20.09	4.42

For and on behalf of the Board

Sd/-

**Adish Oswal**

Chairman & Managing Director  
(DIN- 00009710)

Date : 18<sup>th</sup> July, 2023  
Place: Ludhiana

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC OVERVIEW

#### Global Economy

The global economy is going for a gradual recovery from the powerful blows of the pandemic and of Russia's unprovoked war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets. In IMF's forecast, global growth will bottom out at 2.8 percent in 2023 and would rise modestly to 3.0 percent in 2024. Global inflation will decrease, although more slowly than initially anticipated, from 8.7 percent in 2022 to 7.0 percent in 2023 and 4.9 percent in 2024.

Notably, emerging market and developing economies are already powering ahead in many cases, with growth rates jumping from 2.8 percent in 2022 to 4.5 percent in 2023. The slowdown is concentrated in advanced economies, especially the euro area and the United Kingdom, where growth is expected to fall to 0.7 percent and -0.4 percent, respectively, in 2023 before rebounding to 1.8 and 2.0 percent in 2024.

(Source: IMF's World Economic Outlook-2023 APR)

#### Indian Economy

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others.

(Source: RBI Economic Survey 2022-23)

### INDUSTRY STRUCTURE & DEVELOPMENTS

#### Global Textile Industry

The global textile industry is moderately competitive, with companies increasing their product portfolio and expanding their production capacity to serve the growing demand, particularly in emerging markets. However, the market's fragmented nature is expected to refrain investments by prospective companies over the forecast period. Furthermore, several companies adopted expansion strategies to strengthen their market position and have a competitive edge over others. The market players compete based on differentiation in technology, design, product innovation, and customer-centric products. The market also possesses various strengths such as flexibility, rich heritage, mass production capabilities, capital investment capabilities, high-performance machinery, value-added textile production, and strong R&D. Rising awareness toward reducing greenhouse emissions on a global level owing to the implementation of stringent regulations by the European Commission and EPA to reduce environmental pollution is expected to force textile manufacturers to develop new products by utilizing bio-based polyesters, including bio-PET as raw material. The economic value generated by the textile industry was estimated at approximately USD 1.7 trillion in 2022 with 7.8% CAGR (2023-2030). This economic output is an amalgamation of businesses that are involved in the manufacturing, distribution & supply, and application of textiles.

(Source: <https://www.grandviewresearch.com/sector-report/textile-industry-data-book>)

#### Indian Textiles Industry

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel. India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes by 2030, driven by increasing demand from consumers. In FY23, exports of readymade garments (RMG) cotton including accessories stood at US\$ 7.68 billion till January 2023. It is expected to surpass US\$ 30 billion by 2027, with an estimated 4.6-4.9% share globally. India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. During April-October in FY23, the total exports of textiles stood at US\$ 21.15 billion. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

(Source: <https://www.ibef.org/industry/textiles>)

India has the world's second largest spinning capacity, commanding a share of the global Cotton Yarn market. Cotton Yarn accounts for nearly 73% of total spun yarn production. India produces a comprehensive range of yarns for every conceivable end use – non-spun or open-end; combed or carded, basic, compact, mélange or fancy. With more companies modernizing their mills with state-of-the-art technology, Indian cotton yarn markets is set to boost its export potential. The world's most renowned Indian Cotton Yarns are available as greige, bleached, mercerized, gassed, twisted, dyed or an endless range of fashion yarns like mélange, stretch, blends, high twist and so on to meet the different applications in fashion, clothing, home textiles, hosiery and industrial fabrics. India can meet every customer requirement whether large or small, regular or customized, premium or basic. Today, Indian yarn is widely accepted in International markets as the exporters here regularly meet the needs of importers with unmatched efficiency. China is the largest importer of yarns from India.

(Source: <https://textile.industry-report.net/yarn-industry-in-india/>)

## Opportunities & Threats

### Opportunities

The textile industry in India is very strong as it has a variety of natural and man-made fibres and yarns. India's textile industry plays a technological and capital-intensive role and is compared with industries like heavy machinery, automobiles etc. Since the pattern of industrialisation in trade has become common in consumer goods industries and labour-intensive industries there is immense opportunity in the textile industry. India is estimated to be the second most appealing market by the year 2025.

India is one of the fastest-growing economies and this creates a boost in the purchasing power of the people while it also spurs the demand for products of the textile industry. This boost results in a wide range of capacity to manufacture different products that can be transported within India as well as across the world. Apart from this, India has one of the most extremely varied textile sectors as it has hand-woven textiles on one end while capital intensive mills on the other end which results in an enormous number of opportunities in the textile industry.

### Threats

Though there are many opportunities and investments in the textile industry, like any other industry, the textile industry of India also undergoes certain challenges. The frequently changing policies stated by the government at the central and state levels create immense pressure on the textile industry. Another challenge that the textile industry faces is the limitation to access the latest and best technology while also failing to meet the global standards in the competitive export market. Apart from these issues like competition from neighbouring countries regarding low-cost garments is also the challenge the Indian textile industry faces.

## COMPANY OVERVIEW & ROLE

Vardhman Polytex Limited manufactures yarns that are synonymous with the highest quality. With prominent position in the domestic and international market, its range of Cotton Yarns (Carded, Combed, Organic, BCI), Cotton Polyester Yarns and Value Added Yarns (Grey and Dyed) in variable counts, hold a place of pride in the industry. Using the finest raw materials and cutting edge technology for production, each yarn confirms to highest global standards. The company puts forth fresh products through constant innovation and synchronization with trends. The company has production facilities located at three locations at Ludhiana (Punjab), Bhatinda (Punjab) and Nalagarh (Himachal Pradesh).

### Segment-wise/Product-wise Performance

The company operates in one segment only i.e Textile and product-wise sale details are as under:

₹ in Lakh

Sale of products	2022-23	2021-22
Grey yarn	43462.42	75377.61
Dyed yarn	7711.04	9470.68
Garments	121.09	103.75
Waste sale	5532.83	7535.37
Trading goods (textile )	4594.52	65.87
Job charges income	129.14	306.23
<b>Total</b>	<b>61551.04</b>	<b>92859.51</b>

**Outlook**

The future of the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. India is working on various major initiatives to boost its technical textile industry. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade. The growth in textiles will be driven by growing household income, increasing population and increasing demand by sectors like housing, hospitality, healthcare, etc.

During FY 2023-24, major focus of the company shall be on cost cutting measures, improving productivity, reduction in wastage, efforts on taking quality to next level, deriving efficiency to make products further cost competitive and debt cost reduction. Despite all odds, the company expects to bounce back. It is a testing times for all of us, but with our good brand image and network in the market, we expect to be back on track soon.

**Management perception of Risk & Concerns**

Textile sector faces an array of challenges like rising labour costs, production and process automation, 'reshoring' and 'nearshoring', as well as increased pressure to transition towards a more sustainable business model, with improved wages and working conditions.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The main risks inter alia include strategic risk, operational risk, financial risk and compliances & legal risk. The fast technology obsolescence, high cost of manufacturing and economic uncertainty in key global markets are the major risk/concerns of the business.

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Audit Committee also evaluates risk management system of the Company periodically. To cover foreign exchange risk, the Company transacts its all exports through secured mode either against LC or partial advance payment and foreign currency is being hedged simultaneously against almost all confirmed contracts. The company has very agile corporate team of professionals keeping tab on business developments and working efficiently to mitigate the various risks.

**Internal Control System & their adequacy:**

The Company has a well-established framework of internal controls in all areas of its operations, including suitable monitoring procedures and competent personnel. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. The Committee meets on a regular basis to review the progress of the internal audit initiatives, significant audit observations and planning and implementation of the follow-up action required. The Company conducts its business with integrity and high standards of ethical behavior and in compliance with the all applicable laws and regulations that govern its business.

**Discussion on Financial Performance with respect to Operational Performance**

During the FY 2022-23, your company achieved total revenue from operations of Rs.615.51 Crores showing decline from last year's figure of Rs.928.59 Crores. EBITDA of the Company was Rs.67.08 Crores as against last year's figure of Rs.62.25 Crores. Profit before tax was Rs.1.49 Crores during the year under review.

The past few years have been quite tough for the company which required resilience and adaptability. The textile industry experienced a significant downturn in the past year resulting in adverse effects on our revenue as well. Additionally, our liquidity position has also been under strain which impacted the operations. Management is of the strong belief that the textile industry will rebound from its current depressed state, presenting us with opportunities for growth and profitability.

Resource utilization:

The gross fixed assets as at 31<sup>st</sup> March, 2023 were Rs. 57,707.80 lakh as against Rs. 58,175.46 lakh in the previous year. The Net block of assets as on 31<sup>st</sup> March, 2023 was Rs.15,423.22 lakh as compared to Rs.16,541.15 lakh in the previous year.

Inventory levels as at 31<sup>st</sup> March, 2023 were Rs.1,592.72 lakh as against Rs.4,375.49 lakh in the previous year. The trade receivable as at 31<sup>st</sup> March, 2023 were Rs.18.57 lakh as against Rs. 1,079.74 lakh in the previous year.

**Financial condition & liquidity:**
**(₹ in Lakh)**

Particulars	2022-23	2021-22
<b>Cash &amp; cash equivalents</b>		
Beginning of the year	14.61	9.05
End of the year	43.61	14.61
<b>Net cash provided(used) by:</b>		
Operating Activities	4030.13	6146.46
Investing Activities	(64.79)	(64.57)
Financial Activities	(3936.34)	(6076.33)



**Human Resources Development:**

The total number of employees as on 31<sup>st</sup> March, 2023 were 2076. The industrial relations in all units of the Company continue to be cordial. Your Company believes that its employees are its core strength and development of people is a key priority for the organization to drive business objectives and goals. Robust HR policies are in place which enables building a stronger performance culture.

**Health & Safety Measures:**

As a conscientious and caring employer, the Company actively pursues safety and health measures continuously. We believe in good health of our employees. Modern occupational health and medical services are accessible to all employees.

The Company has always considered safety as one of its key focus areas and strives to make continuous improvement on this front. The Company is committed to complying with all relevant regulations and ensure safer plants by conducting safety audits, risk assessments and periodic safety awareness campaigns and training to employees.

**Significant key financial ratios**

Particulars	FY 2022-23	FY 2021-22
(i) Debtors Turnover	3.27	5.45
(ii) Inventory Turnover	9.44	17.26
(iii) Interest Coverage Ratio	-0.79	0.76
(iv) Current Ratio	0.11	0.14
(v) Debt Equity Ratio	-1.24	-0.001
(vi) Operating Profit Margin (%)	-6.87	5.25
(vii) Net Profit Margin (%)	0.20	-1.70
(viii) Return on Net Worth	-0.003	0.04

**Cautionary Statement:**

*Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include finished goods prices, raw materials costs and availability, global and domestic demand-supply conditions, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.*

## CORPORATE GOVERNANCE REPORT

Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Corporate Governance assumes a great deal of importance in the business life of the Company. The Company's goal is to find creative and productive ways of delighting its stakeholders, i.e. investors, customers & associates etc. while fulfilling the role of a responsible corporate representative committed to best practices. This section besides being in compliance of the mandatory SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI (LODR) Regulations") gives an insight into the process of functioning of the Company.

Pursuant to SEBI (LODR) Regulations, the Company has executed fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under SEBI (LODR) Regulations, as applicable, with regard to corporate governance.

### 1. COMPANY'S PHILOSOPHY:

- Total customer delight
- Competing with the best
- Total quality people
- Product quality a way of life
- Continued improvement through innovation & creativity
- State of Art Technology with ultra modern R&D facilities
- Respect of every VPL Parivar Member
- Faith in individual potential and respect for human values
- Achieving excellence through culture integration
- Accepting change as a way of life
- Act as responsible corporate citizen and discharge our social responsibilities.

### 2. BOARD OF DIRECTORS:

#### a) Composition:

The Board consists of Six Directors out of which one is Executive Director and remaining five are Non-Executive Directors including a woman director. The half of the Board comprises of Independent Directors.

During the year, Mr. Sanjeev Joshi and Mr. Sagar Bhatia were appointed as Additional Directors under the category of Non-Executive Independent Directors by board on 12.08.2022.

Mr. Hardeep Singh and Mr. Varun Kumar Choudhary, Independent Directors of the company have resigned from the directorship with effect from 12.08.2022. Board places on record its sincere appreciation for their invaluable contribution to the company.

On recommendation of Nomination and Remuneration Committee, the board of directors of the company has reappointed Mr. Adish Oswal, Chairman and Managing Director of the company as Managing Director of the company with effect from 24.11.2022 for a period of 3 years due to expiration of his tenure as Managing Director of the company on 23.11.2022.

Mr. Adish Oswal, is retiring by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment. The board recommends his re-appointment in the forthcoming AGM.

Mr. Sandeep Mehta, Mr. Sanjeev Joshi and Mr. Sagar Bhatia were appointed by the shareholders in their AGM held on 26.09.2022, for a period of 4 years w.e.f 26.09.2022, as they were appointed by the board upto that AGM of the shareholders.

Mrs. Sanchi Taneja has been appointed by Board of Directors as Additional Director (Non-Executive Independent) w.e.f. 18<sup>th</sup> July, 2023 till the conclusion of ensuing AGM. The Board of Directors recommends her appointment as a Director (Non-Executive Independent) of the Company to the members of the Company for their approval at ensuing AGM.

#### ***Chart or a Matrix setting out the Skills/Expertise/Competencies of the Board of Directors:***

The following skills / expertise / competencies required in the context of Company's businesses have been identified by the Board for it to function effectively.

The directors shall have appropriate skills and experience in one or more fields of finance, costing, management, sales, marketing, administration, corporate governance and operations or any other discipline related to the Company's business.

Board members of the company possess the above stated skills and expertise.

Name of Director	Skills/Expertise
Mr. Adish Oswal	Commerce Graduate from Delhi University and has attended various training programmes such as Managerial Finance at Harvard University, Boston; one on Core Competence, Capability & Strategy at IIM, Ahmedabad & another on Strategy for Fast Growing Enterprises at ISB Hyderabad. He is having 20 years of rich experience in Textile industry with expertise in selection of technology, machineries and operation of plants. He also spearheads the Groups initiatives in the areas of Finance, Marketing, Business Development, Corporate Communication and Corporate Affairs.

Name of Director	Skills/Expertise
Mrs. Manju Oswal	Wide experience of 30 years in the textiles and administration
Mr. Sandeep Mehta	Commerce Graduate with Master's Degree in Business Administration having rich experience of more than 26 years in finance and accounts with various corporate houses.
Mr. Suresh Kumar Banka	He has vast knowledge and rich experience of more than 39 years in the field of Accounting and Cost Management.
Mr. Varun Kumar Choudhary (Upto 12.08.2022)	Civil engineer by profession. He is multi skilled person with knack of interior designing and civil construction, instrumental in developing Big Townships.
Mr. Hardeep Singh (upto 12.08.2022)	Diploma in Civil Engineering and Draughtsman having rich experience of 13 years in civil construction, interior designing and real estate.
Mr. Sanjeev Joshi (w.e.f 12.08.2022)	Commerce Graduate having rich experience of more than 26 years in various Textile companies. His areas of expertise include Costing, MIS, Budgeting and Planning.
Mr. Sagar Bhatia (w.e.f 12.08.2022)	Graduate with experience of more than 8 years having expertise in accounting and finance.
Mrs. Sanchi Taneja (w.e.f 18.07.2023)	She is a Commerce Graduate from Punjab University and Chartered Accountant having more than 10 years of experience in the fields of Accounts, Direct and Indirect Taxation.

b) **Board Meetings:**

During the financial year under review, 5 (five) Board Meetings were held on the following mentioned dates and the gap between two consecutive meetings did not exceed one hundred twenty days.

SR. NO.	DATE OF BOARD MEETINGS
1	30/05/2022
2	23/06/2022
3	12/08/2022
4	14/11/2022
5	13/02/2023

Details of composition of the board, Category of director, Shareholding details, Number of board meeting attended, Attendance at last AGM, Total number of directorship held, Chairpersonship & Membership of the Committees are as given below:

Name of Director/ Designation	Category of Directorship	No. of Shares held	No. of Board Meeting Attended/ Held	Attendance at Last AGM held on 26.09.2022	Total No. of Directorship in other Companies*		Total No. of position in Committee of Companies**	
					Chairperson	Member	Chairperson	Member
Mr. Adish Oswal (DIN: 00009710) Chairman & Managing Director	Promoter- Executive	420511	5/5	YES	-	12	-	1
Mrs. Manju Oswal (DIN: 00009449)	Promoter, Non-Executive	52694	5/5	YES	-	3	1	1
Mr. Suresh Kumar Banka (DIN: 08847246)	Non-Executive	8	5/5	YES	-	-	-	-
Mr. Varun Kumar Choudhary* (DIN: 08857201)	Non-Executive Independent	NIL	2/5	NO	-	-	-	1
Mr. Hardeep Singh* (DIN: 08896801)	Non-Executive Independent	NIL	2/5	NO	-	-	-	-
Mr. Sandeep Mehta (DIN: 09439403)	Non-Executive Independent	NIL	5/5	YES	-	-	1	1
Mr. Sanjeev Joshi** (DIN: 09685969)	Non-Executive Independent	NIL	3/5	YES	-	-	-	1
Mr. Sagar Bhatia** (DIN: 09691116)	Non-Executive Independent	NIL	3/5	YES	-	-	-	-

\* Mr. Varun Kumar Choudhary and Mr. Hardeep Singh have resigned from the company w.e.f 12.08.2022

\*\*Mr. Sanjeev Joshi and Mr. Sagar Bhatia were appointed as Directors under non-executive Independent category w.e.f. 12.08.2022

^Directorship includes alternate directorship and exclude foreign directorship.

^^ The Total No. of Positions in committees are include only the positions in the Audit and Stakeholders relationship committees of the Companies.

**Notes:**

1. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a director.
2. There is no inter-se relationship between the directors except Mr. Adish Oswal being son of Mrs. Manju Oswal.

**Directorship in other Listed Companies:**

Sr. No.	Name of Directors	Name of Listed Companies & Category of Directorship
1	Mr. Adish Oswal	-
2	Mrs. Manju Oswal	-
3	Mr. Suresh Kumar Banka	-
4	Mr. Varun Kumar Choudhary (Upto 12.08.2022)	-
5	Mr. Hardeep Singh (Upto 12.08.2022)	-
6	Mr. Sandeep Mehta	-
7	Mr. Sanjeev Joshi (w.e.f 12.08.2022)	-
8	Mr. Sagar Bhatia (w.e.f 12.08.2022)	-
9	Mrs. Sanchi Taneja (w.e.f 18.07.2023)	-

**c) Meetings Procedure:**

The Company holds Board Meetings regularly. The directors are informed about the venue, date and time of meeting in advance in writing at their registered address/e-mail. Detailed agenda papers along with explanatory statements are circulated to the directors in advance. The Board has complete access to all information with the Company. All information stipulated in SEBI (LODR) Regulations is regularly provided to the Board as a part of agenda papers along with the action taken report on the matters previously approved/ discussed. Directors actively participate in the Board Meetings and contribute significantly by expressing their views, opinions and suggestions. Decisions are taken after proper and thorough discussion. The Board periodically reviews the compliance report of all laws applicable to the Company.

**d) Training/ Familiarization programmes for Board Members:**

The Board members are provided with necessary documents/ brochures, reports and internal policies enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at [http://oswalgroup.com/investor\\_pdf/corporate-policy/Familiarisation Programme ID 2022-23.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Familiarisation_Programme_ID_2022-23.pdf)

**e) Remuneration of Directors:**

**i) Executive Directors:** The Company can pay remuneration to Chairman & Managing Director, Managing Director and Executive Directors as approved by the Board of Directors and Members of the Company. As of now, the company is not paying remuneration to anyone in the capacity of Executive Director.

**ii) Non-Executive Directors:** Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board Meeting @ Rs. 7,500/- per meeting and for the Committee Meeting @ Rs. 3,500/- per meeting.

**Details of Remuneration paid to the Directors during the year:**

(₹ in Lakh)

Name	Designation	Salary	Benefits, Allowances & other Perquisites	Sitting Fee	Total Remuneration
Mr. Adish Oswal	Chairman & Managing Director	-	-	NA	-
Mrs. Manju Oswal	Non- Executive Non-Independent Director	-	-	0.73	0.73
Mr. Suresh Kumar Banka	Non- Executive Non-Independent Director	-	-	0.38	0.38
Mr. Varun Kumar Choudhary upto 12.08.2022	Non- Executive Independent Director	-	-	0.29	0.29
Mr. Hardeep Singh upto 12.08.2022	Non- Executive Independent Director	-	-	0.15	0.15
Mr. Sandeep Mehta	Non- Executive Independent Director	-	-	0.73	0.73
Mr. Sanjeev Joshi w.e.f 12.08.2022	Non- Executive Independent Director	-	-	0.30	0.30
Mr. Sagar Bhatia w.e.f 12.08.2022	Non- Executive Independent Director	-	-	0.23	0.23

- Mr. Adish Oswal is not getting any remuneration in the capacity of Managing Director. However, taking into account the professional competence of Mr. Adish Oswal in running of plant operations of the company, he has been given additional charge as Chief Operating Officer (COO) of the Company and he drew remuneration of Rs.10 Lakh per month during the FY 2022-23 in the capacity of COO.

However, following remuneration will be paid to Mr. Adish Oswal as Managing Director, with effect from 1<sup>st</sup> August, 2023 for the remaining period of his tenure ending on 23.11.2025 as set out below, as minimum remuneration in the event of absence of profits and/or inadequacy of profits or otherwise, subject to the approval of shareholders in the ensuing AGM, notwithstanding that such remuneration may exceed the limits specified under Section 197 read with Schedule V of the Act:

Basic Pay	₹ 15.00 Lakh p.m
Special allowance	₹ 5.10 Lakh p.m
House Rent Allowance	₹ 4.50 Lakh p.m
Helper Allowance	₹ 3.60 Lakh p.m
Provident Fund	₹ 1.80 Lakh p.m
Total	₹ 30.00 Lakh p.m
Gratuity	As per Company Rules
Encashment of Unavailed Leave	
Superannuation	
Telephone	
Annual Leave	
Car	Company maintained two vehicles with Drivers for Official Work.

**OTHER BENEFITS:**

The Company shall reimburse actual entertainment and travelling expenses incurred by the CMD in connection with the Company's business.

*All other terms and conditions of his appointment as Managing Director of the Company, as approved by the resolution passed at the 42nd Annual General Meeting of the Company held on 26th September 2022 shall remain unchanged.*

- None of the Non-Executive Directors has any pecuniary relationships or transactions vis-à-vis the Company except the sitting fees received by respective directors.



3. Salary/ remuneration of working directors do not include performance incentive or any variable pay etc. The Company has not granted any Stock Options to its Directors or Employees.
4. No severance fee is payable to any Managing Director of the company.

**f) Independent Directors:**

Independent directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 (“Act”). All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI (LODR) Regulations and Section 149(6) of the Companies Act, 2013.

It is hereby confirmed that in the opinion of the board all IDs fulfill the conditions as specified in the SEBI (LODR) and are independent of the management.

The terms and conditions of appointment of the independent directors are disclosed on the website of the Company. Familiarization programmes for Independent Director is available on website of the company at following link: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Familiarisation Programme ID 2022-23.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Familiarisation Programme ID 2022-23.pdf)

During the year, a separate meeting of the independent directors was held on 13.02.2023 inter-alia to review the performance of non-independent directors and the board as a whole.

**3. COMMITTEES OF THE BOARD:**

**A) Audit Committee**

The Company has an Audit Committee in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015, which comprised 3 directors as on 31.03.2023 including two Independent Directors i.e. Mr. Sandeep Mehta as the Chairman and Mr. Sanjeev Joshi as member of the committee. Company Secretary acts as the Secretary of the Committee. Statutory Auditors, Internal Auditors & Head of Corporate Finance Department are the permanent invitees to the Committee. The terms of reference of the Audit Committee is based on the role of the Audit Committee as mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

The Committee met Five times during the year on 30.05.2022, 23.06.2022, 12.08.2022, 14.11.2022 and 13.02.2023. Attendance of the members of the Committee is given below:

<b>Members</b>	<b>Category</b>	<b>MeetingsAttended</b>
Mr. Sandeep Mehta (Chairman)	Non-Executive Independent Director	5
Mrs. Manju Oswal (Member)	Non-Executive Non-Independent Director	5
Mr. Varun Kumar Choudhary (Member) (upto 12.08.2022)	Non-Executive Independent Director	3
Mr. Sanjeev Joshi (Member) (w.e.f. 12.08.2022)	Non-Executive Independent Director	2

*Note:*

*Mrs. Sanchi Taneja has been appointed as committee member w.e.f 18.07.2023 in place of Mr. Sanjeev Joshi.*

**B) Stakeholders’ Relationship Committee**

The Company has a Stakeholders’ Relationship Committee to look into the redressal of stakeholders complaints on various issues. The Committee comprised of Mr. Adish Oswal; Mr. Sandeep Mehta and Mrs. Manju Oswal. Mrs. Manju Oswal is the Chairperson of the Committee. The Committee met four (4) times during the year on .05.2022, 12.08.2022, 14.11.2022 and 13.02.2023. The composition and attendance of committee is as under:

<b>Members</b>	<b>Category</b>	<b>MeetingsAttended</b>
<i>Mrs. Manju Oswal (Chairperson)</i>	<i>Non- Executive Director</i>	<i>4</i>
<i>Mr. Adish Oswal (Member)</i>	<i>Chairman &amp; Managing Director</i>	<i>4</i>
<i>Mr. Sandeep Mehta (Member)</i>	<i>Non-Executive Director</i>	<i>4</i>

During the financial year 2022-23, the Company has not received any complaint.

Mr. Ajay Kumar Ratra, Company Secretary, is Compliance Officer of the Company and may be contacted at 0161-6629888. As per Regulation 6 of the SEBI (LODR) Regulations, 2015, the designated E-mail Id for the purpose of registering complaints/ queries of investors is: [secretarial@vpl.in](mailto:secretarial@vpl.in)

**C) Nomination and Remuneration Committee**

The Company has Nomination & Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015. The role of the Nomination and Remuneration committee is as set out in Part D of Schedule II of SEBI (LODR) Regulations, 2015.

The committee comprised of three Non-executive Directors. During the year, one (1) committee meeting was held on 12.08.2022. The composition of committee and attendance is given hereunder:

<b>Members</b>	<b>Category</b>	<b>Meetings Attended</b>
Mr. Sandeep Mehta (Chairman)	Non-Executive Independent Director	1
Mrs. Manju Oswal (Member)	Non-Executive Non-Independent Director	1
Mr. Varun Kumar Choudhary (Member) (upto 12.08.2022)	Non-Executive Independent Director	1
Mr. Sanjeev Joshi (Member) (w.e.f. 12.08.2022)	Non-Executive Independent Director	-

**Note:**

Mrs. Sanchi Taneja has been appointed as committee member w.e.f 18.07.2023 in place of Mr. Sanjeev Joshi.

The selection and remuneration criteria of directors, senior management personnel and performance evaluation of directors/board/committee are defined in the Nomination and Remuneration Policy which forms part of the Annual Report.

**4. CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT:**

The Company's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel (SMP) of the Company. The Code of Conduct is available at Company's website. All Board Members & SMP have given their affirmations of compliance with the Code. A declaration to this effect signed by Chairman & Managing Director is enclosed as **Annexure-1** and which forms part of this Report.

**Senior Management Personnel:**

In terms of Regulation 16 of the SEBI (LODR) Regulations 2015, following officials are included in the Senior Management as on 31.03.2023:

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>
1	Mr. Ajay K. Ratra	Company Secretary
2	Mr. Radhamohan Soni	Chief Financial Officer
3	Mr. Amitabh Singh Dagar	G.M. (Operations)
4	Mr. Amit Pandey	G.M. (Operations)
5	Mr. Nityanand Kundu	Chief Manager (Quality and Development)
6	Mr. Vijay Kumar Arora	Vice President (Commercial)
7	Mr. Raj Kumar Kanojia	Associate General Manager (Projects & Purchase)
8	Mr. Abhay Janardhan Munje	Vice President (IT & System)
9	Mr. Rajesh Lakshmanan	Vice President (Human Resource Development)
10	Mr. Parvinder Singh Bharaj	Group Head- Security and Admin
11	Mr. Sanjeev Kumar Budhiraja	Senior Vice President (Sales and Business Development)

There is no change in the Senior Management Personnel since the closure of FY ended 31.03.2023

**5. RISK MANAGEMENT:**

The Company has adopted a well defined procedure for risk management. The Risk Management Policy of the Company provides procedures for identification and mitigation of internal as well as external risks of the Company. Constitution of Risk Management Committee is not applicable on the company as per the given criteria under SEBI (LODR).

**6. SUBSIDIARY COMPANY:**

There is no subsidiary of the company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Determination-of-Material-Subsidiary-Policy2022.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Determination-of-Material-Subsidiary-Policy2022.pdf)

**7. SHAREHOLDERS:**
**A) Details of Directors seeking appointment/re-appointment**

The brief profile of the directors being appointed/re-appointed is provided in the Notice for convening the Annual General Meeting.

**B) Previous Annual General Meetings**

The detail of last three Annual General Meetings (AGMs) is given hereunder:

Meeting	Day, date & time of the meeting	Venue	No. of Special Resolutions
42 <sup>nd</sup> AGM	Monday, 26 <sup>th</sup> day of September, 2022 at 11:00 AM	Regd. Office:Vardhman Park, Chandigarh Road, Ludhiana - 141 123	1
41 <sup>st</sup> AGM	Wednesday, 29 <sup>th</sup> day of September, 2021 at 11:00 AM	Regd. Office:Vardhman Park, Chandigarh Road, Ludhiana - 141 123	1
40 <sup>th</sup> AGM	Tuesday, 29 <sup>th</sup> day of September, 2020 at 04:30 PM	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	1

**Postal Ballot:** During the year 2022-23, the Company has not passed any resolution through postal ballot.

**C) Means of Communication**

The Company communicates with the shareholders at large through its Annual Reports, placing the information on Company's website, publication of financial results, press releases in leading newspapers and by filing various reports and returns with the statutory bodies like Stock Exchanges, the Registrar of Companies and website of Ministry of Corporate Affairs. The financial results are published in prominent daily newspapers viz., Financial Express, Economic Times and Desh Sewak (Punjab).

The financial results, annual report, corporate governance report and shareholding pattern of the Company are also available on the Company's website viz. [www.vpl.in](http://www.vpl.in)

**8. DISCLOSURES:**

**a) Related Party Transactions:** All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business. All Related Party Transactions were placed before the Audit Committee for its approval. The Audit Committee has granted omnibus approval for Related Party transactions as per the provisions and restrictions contained in the SEBI Listing Regulations. There was no material/ significant transaction with the directors or the management, their subsidiaries or relatives etc. that have any potential conflict with interest of the Company at large read with details of transactions as disclosed in Notes on Accounts annexed in the Balance Sheet as per Accounting Standard Ind-AS 24. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Policy-on-dealing-with-Related-Party-Transactions2022.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Policy-on-dealing-with-Related-Party-Transactions2022.pdf)

**b) Non-compliances/ Penalties:** No penalties or strictures were imposed by the Stock Exchanges or SEBI or any other Statutory Authority during the last three years except as stated hereinbelow. The Company has duly complied the provisions of LODR and specifically with Corporate Governance requirements as specified under Regulation 17 to 27, Regulation 46 (2) clause (b) to (i) and para C, D and E of Schedule V of the Listing Regulations except delay in appointment of two more directors, during the period of first two quarters of FY 2020-21, as per Regulation 17 (1) (c) of SEBI (LODR) Regulations, 2015 which was due to complete lockdown in the country to contain the spread of Covid-19. For the above stated delay in compliance, NSE has issued notice imposing fine in accordance with SOP. The company has filed request for waiver of above stated fine levied in terms of Stock Exchange's Policy for exemption of fines as per the provisions of SEBI SOP circular and the said request is under consideration. Securities of the Company have not been suspended for trading at any point of time during the year.

The company was having subsidiary namely FM Hammerle Verwaltungs, GMBH Austria (FMH) for the first two Quarters for the Financial Year 2021-22. Later on the subsidiary was liquidated. In the Board Meeting held on 30.05.2022, Standalone Financial Results for the year ended 31.03.2022 which included Statement of Profit and Loss, Statement of Assets and Liabilities, Cash Flow Statement and Annual Consolidated Statement of Profit and Loss were approved and submitted to the Stock Exchanges. Consolidated Statement of Assets and Liabilities as at 31.03.2022 and Cash Flow statement were not prepared and submitted due to reason that FMH ceased to exist as on 31.03.2022. But BSE and NSE required the company to submit the consolidated Statement of Assets and Liabilities and Cash Flow Statement in addition to the already submitted financial results for the quarter/year ended 31.03.2022. Accordingly, these statements were submitted to NSE and BSE on 23.06.2022 after Board's approval. Both Stock exchanges treated this submission as delayed compliance of Regulation 33 of LODR and imposed a fine and the same was paid to NSE and BSE within stipulated time.

- c) **Vigil Mechanism/ Whistle Blower Policy:** The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a vigil mechanism/ whistle blower policy wherein the employees are free to report violation of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of person reporting violation is maintained and he is not subjected to any discriminatory practice. No person has been denied access to the chairman of Audit Committee. The vigil mechanism policy is available at Company's website at the following link: [http://oswalgroup.com/investor\\_pdf/corporate-policy/Vigil-Mechanism-Policy.pdf](http://oswalgroup.com/investor_pdf/corporate-policy/Vigil-Mechanism-Policy.pdf)
- d) **Mandatory/Discretionary requirements:** All mandatory requirements of SEBI Listing Regulations/ Corporate Governance clause have been complied with during the year. The Company has also implemented discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations regarding direct report by internal auditor to Audit Committee.
- e) The detail of total fees for all services paid, by the listed entity and its subsidiary, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, is given hereunder:

S. No.	Name of Entity	Relationship with VPL	Details of Services	Amount (Rs.Lakh)
1	Vardhman Polytex Limited	-	Statutory Audit	10.50
2	Vardhman Polytex Limited	-	Tax Audit	1.50
3	Vardhman Polytex Limited	-	Out of pocket expenses	0.15
	Total			12.15

- f) **Disclosure in Relation of Sexual Harassment of Women at Workplace:** The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During the year under review no complaint was received.
- g) Company has obtained a certificate from Company Secretary in Practice stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of company by SEBI/ Ministry of Corporate Affairs or any such statutory authority.
- h) Due to bank accounts of the company were classified as NPA by the consortium of banks, credit rating in respect of bank borrowings was assigned as "D" by ICRA.
- i) The Board of Directors had accepted all the recommendations, if any, as and when received from its Committees on different matters.
- j) **STATUTORY DISCLOSURES:**
- There is no issue of equity shares with differential rights as to dividend, voting or otherwise.
  - There is no issue of shares (including sweat equity shares) to employees of the Company under any scheme.
  - Neither the Managing Director(s) nor the Whole-time Director(s) of the Company receive any remuneration or commission from any of its subsidiaries.
  - The company did not buy back of its shares from the market.

## 9. **GENERAL SHAREHOLDERS INFORMATION:**

### I) **43<sup>rd</sup> Annual General Meeting**

Date : Friday, 18<sup>th</sup> August, 2023  
 Time : 11:00 A.M.  
 Venue : Vardhman Park, Chandigarh Road, Ludhiana-141123

II) **Financial Year** : 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023

### III) **Financial Calendar for 2022-23 (Results were announced in):**

First Quarter Results : August, 2022  
 Second Quarter Results : November, 2022  
 Third Quarter Results : February, 2023  
 Fourth Quarter/Annual Results : May, 2023

**IV) Financial Calendar for 2023-24 (Tentative):**

First Quarter Results	:	August, 2023
Second Quarter Results	:	November, 2023
Third Quarter Results	:	February, 2024
Fourth Quarter/Annual Results	:	May, 2024

**V) Dividend Payment date** : Not Applicable

**VI) Listing of Securities:**

Sr. No.	Description	Stock Exchange	Stock Code
1.	Equity Shares	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	514175
		The National Stock Exchange of India Ltd. (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400 051	VARDMNPOLY

The Company has duly paid the listing fees to BSE and NSE for the year 2022-23 and also for the year 2023-24.

**VII) Stock Market Data:**

The month-wise highest, lowest and closing stock prices vis-à-vis BSE Sensex and NSE Nifty during the financial year 2022-23 are given below:-

FINANCIAL YEAR 2022-23 (MONTH)	VPL SHARE PRICE AT BSE			BSE SENSEX			VPL SHARE PRICE AT NSE			NSE NIFTY		
	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
APRIL	32.40	23.25	29.50	60845.10	56009.07	57060.87	32.00	23.55	29.60	18114.65	16824.70	17102.55
MAY	30.10	22.80	24.05	57184.21	52632.48	55566.41	30.10	23.00	24.05	17132.85	15735.75	16584.55
JUNE	24.60	17.00	21.50	56432.65	50921.22	53018.94	24.75	17.40	21.50	16793.85	15183.40	15780.25
JULY	28.05	21.65	24.95	57619.27	52094.25	57570.25	28.00	21.00	25.20	17172.80	15511.05	17158.25
AUGUST	25.75	22.45	23.10	58328.41	57540.36	58136.36	26.10	22.10	23.00	17992.20	17154.80	17759.30
SEPTEMBER	24.25	18.95	19.15	60676.12	56147.23	57426.92	24.40	19.05	19.70	18096.15	16747.70	17094.35
OCTOBER	20.95	18.90	20.25	60786.70	56683.40	60746.59	20.85	19.00	20.40	18022.80	16855.55	18012.20
NOVEMBER	21.60	18.85	19.90	63303.01	60425.47	63099.65	21.95	19.20	19.80	18816.05	17959.20	18758.35
DECEMBER	21.50	17.35	19.50	63583.07	59754.10	60840.74	21.80	17.65	19.40	18887.60	17774.25	18105.30
JANUARY	20.10	18.05	18.65	61343.96	58699.20	59549.90	20.15	18.05	18.65	18251.95	17405.55	17662.15
FEBRUARY	23.45	17.90	19.55	61682.25	58795.97	58962.12	23.50	18.10	19.50	18134.75	17255.20	17303.95
MARCH	27.50	19.33	24.13	60498.48	57084.91	58991.52	28.50	19.00	24.55	17799.95	16913.75	17359.75

**VIII) Registrar & Share Transfer Agent (RTA):**

M/s Alankit Assignments Limited  
(Unit: Vardhman Polytex Limited)  
1E/13, Alankit Heights, Jhandewalan Extension, New Delhi-110 055  
Telephone No.: 011-42541234, 23541234, Fax No. 011-41543474  
E-mail: [rta@alankit.com](mailto:rta@alankit.com) , Web Site: [www.alankit.com](http://www.alankit.com)

**IX) Share Transfer System:**

The Company has authorised RTA for transfer/ transmission/ dematerialization/ rematerialization etc. who attend the formalities related thereto on an average once in a week. A status report received from RTA is placed before the board of directors periodically.

**X) Dematerialization of Shares and liquidity:**

The shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The International Securities Identification Number (ISIN) for equity shares is INE835A01011. 98.59% of the paid up equity share capital comprising 2,19,76,949 shares were dematerialized as on 31<sup>st</sup> March, 2023.

**XI) Distribution of Shareholding as on 31<sup>st</sup> March, 2023:**

Range (No. of shares)	Shareholders		Shares	
	Numbers	%age	Numbers	%age
Upto 500	13799	85.79	1776201	7.97
501 - 1000	1160	7.21	960836	4.31
1001 - 5000	912	5.67	2024312	9.08
5001 - 10000	102	0.63	745024	3.34
10001 & Above	112	0.70	16784584	75.30
<b>Total</b>	<b>16085</b>	<b>100.00</b>	<b>2,22,90,957</b>	<b>100.00</b>

**XII) Shareholding Pattern of the Company:**

Sr. No.	Category of the shareholders	As on 31 <sup>st</sup> March, 2022	
		No. of Shares	%age
1.	Promoters/Promoter Group	1,34,09,791	60.16
2.	Foreign Portfolio Investors (FPIs) category II	6,29,336	2.82
3.	Mutual Funds & UTI	1,800	0.01
4.	Banks, Financial Institutions, Insurance Co.	452	0.00
5.	Bodies Corporate	4,05,169	1.82
6.	Indian Public	73,21,442	32.84
7.	NRIs, OCBs, FIIs	2,33,050	1.05
8.	Any other (HUF, Clearing Member)	2,89,917	1.30
	<b>Total</b>	<b>2,22,90,957</b>	<b>100.00</b>

**XIII) Outstanding GDRs/ADRs/Warrants:**

As on 31<sup>st</sup> March, 2023, there were no outstanding GDRs/ ADRs/ Convertible Warrants. However, the Company is having outstanding 2% unsecured Foreign Currency Convertible Bonds (FCCBs) for the amount of USD 3,24,198.

On 27<sup>th</sup> June, 2023, 1,30,00,000 warrants have been allotted to the non-promoters on preferential basis. These warrants are Convertible into equity shares of Rs. 10 each at a premium of Rs. 30.50 per share within 18 months from the date of allotment.

**XIV) Commodity Price Risk/Foreign Currency Risk/Hedging Activities:**

The Company is exposed to commodity price risk/foreign exchange risks. The Company continuously evaluates risks exposers and takes required actions from time to time to minimize the impact of fluctuations.

**XV) Plant/Unit Locations:**

- Vardhman Polytex Limited, Badal Road, Bathinda-151 005.
- Vardhman Polytex Limited, Village Nangal Nihla/Upperla, Swarghat Road, Nalagarh -174 101(HP)
- Vardhman Polytex Limited D- 295/1, Phase VIII, Focal Point, Ludhiana-141 010
- Amkryon International, D- 295/1, Phase VIII, Focal Point, Ludhiana-141 010

**Company's Registered Office**

Vardhman Park, Chandigarh Road, Ludhiana -141123

**XVI) Address for correspondence:**

Shareholders should address their correspondence to the Company's Registrar & Transfer Agents (RTA) at the address mentioned in point VIII.

Shareholders may also contact Company Secretary and Compliance Officer at the Registered Office of the Company at Vardhman Park, Chandigarh Road, Ludhiana -141 123.

Tel: 0161-6629888, Fax: 0161-6629988

E-mail: [secretarial@vpl.in](mailto:secretarial@vpl.in)



Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP).

Queries relating to the Financial Statements may be addressed to CFO at the Registered Office of the Company at Vardhman Park, Chandigarh Road, Ludhiana -141 123.

Tel: 0161-6629888

**XVII) Unpaid/Unclaimed Divided:**

The company did not declare any dividend after the FY 2007-08 and the unpaid/unclaimed dividend upto the financial year 2007-08 has been transferred to Investor Education and Protection Fund (IEPF). As on date, there is no unclaimed dividend pending with the Company.

**10. CERTIFICATE OF COMPLIANCE FROM AUDITOR:**

Certificates from M/s Romesh K. Aggarwal & Associates, Chartered Accountant (Firm Registration No. 000711N), was issued regarding compliance with conditions of Corporate Governance as stipulated under Listing Regulations - Attached to this Report as **Annexure- 2**

**11. CEO / CFO Certification:**

In terms of Regulation 17(8) of Listing Regulations, the certificate duly signed by the Chief Executive Officer /CMD and Chief Financial Officer of the Company was placed before the Board and the same is annexed to this report as **Annexure- 3**.

**Annexure-1****DECLARATION BY CHAIRMAN & MANAGING DIRECTOR ABOUT THE COMPLIANCE OF CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

In compliance with the provisions as contained in Regulation 34(3) and Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 it is hereby stated that the company has adopted a code of conduct for the members of the board and senior management personnel of the company.

I, undersigned, further declare that the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Companies Code of Conduct during the financial year ending 31<sup>st</sup> March, 2023.

Sd/-

**Adish Oswal**

Chairman &amp; Managing Director

DIN: 00009710

Date: 18<sup>th</sup> July, 2023

Place: Ludhiana

**Annexure-2****CERTIFICATE OF COMPLIANCE FROM AUDITOR**

To  
The Members of  
Vardhman Polytex Limited

We have examined the compliance of conditions of Corporate Governance by Vardhman Polytex Limited ("the Company") for the year ended 31<sup>st</sup> March, 2023, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for Compliance with the Conditions of Listing Regulations**

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

**Auditors' Responsibility**

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**Restriction on use**

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For ROMESH K AGGARWAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 000711N

Sd/-

**Ruchir Singla**

Partner

Membership no. 519347

Place: Ludhiana

Dated: 30.05.2023



CEO/CFO Certification

To  
The Board of Directors,  
Vardhman Polytex Ltd.  
Vardhman Park, Chandigarh Road,  
Ludhiana-141123

Subject: CEO/CFO certification (Pursuant to Regulation 17(8) and Regulation 33(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, hereby, certify to the board of directors of the company that:

- (a) We have reviewed financial statements for the quarter/financial year ended 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee-
  - (i) Significant changes in internal control during the quarter/year, if any;
  - (ii) Significant changes in accounting policies during the quarter/year, if any and that the same have been disclosed in the notes to the financial statements; and,
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place: Ludhiana  
Dated: 30.05.2023

(Radhamohan Soni)  
Chief Financial Officer

(Adish Oswal)  
Chairman and Managing Director

## INDEPENDENT AUDITOR'S REPORT

To The Members of Vardhman Polytex Limited

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of Vardhman Polytex Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the financial statement, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter stated in the "Basis for Qualified Opinion" section of this report, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the **Companies (Indian Accounting Standards) Rules, 2015**, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified opinion

Note No. 49 of the Ind AS financial statements regarding crediting a profit of Rs 396.44 lakhs due on payment of FCCB liability to the statement of profit & loss during the year ended March 31, 2017 which should have been credited in the statement of profit & loss on payment of FCCB liability which is still outstanding to the tune of 221.53 Lacs as on March 31, 2023 is not in compliance with

the requirements of para 27 of the Ind AS 1- Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis. Consequently, the profit and loss has been overstated by the above mentioned amount. The Company has settled the matter with Axis bank where in a payment plan has been agreed (Final payment date being 30th September 2024) and the company is making payment as per the plan.

We further report that, had the impact of our observations made in para above been considered, the net loss and the net worth, for the period ended, would have increased and decreased respectively by Rs. 396.44 lakhs.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Evaluation of uncertain tax positions</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 39 and 40 to the Ind AS Financial Statements</p>	<p><b>Principal Audit Procedures:</b></p> <p>Obtained details of completed tax assessments and demands till the year ended March 31, 2023 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

#### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) 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 in the 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 Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Management and 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 is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion

on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 to those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A) As required by Section 143(3) of the Act, based on our audit we report that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements. Refer note 39 to the financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its joint operation companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or its joint operation companies incorporated in India or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, that no funds have been received by the Company or its joint operation from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its joint operation companies incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- (e) The Company has neither declared nor paid any dividend during the year.
- (f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For Romesh K Aggarwal & Associates**  
Chartered Accountants  
FRN - 000711N

Sd/-  
**Ruchir Singla**  
Partner

Place - Ludhiana  
Dated – 30<sup>th</sup> May, 2023

M. No. 519347  
UDIN - 23519347BGXRRO1544



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA EPC IRRIGATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

**Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**

- (i) In respect of the Company's fixed assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company has maintained proper records showing full particular of intangible assets

- (b) According to the information and explanation given to us and on the basis of our examination of records of the company, the company has a regular programme of physical verification of its property, plant and equipment, by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of record of the company, title deeds of immovable property are held in name of company except for the following :

Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company**
Mr. Subhash Sharma	No	22.06.2011	State Government rules
Mr. Subhash Sharma	No	01.02.2011	State Government rules
Mr. Subhash Sharma	No	13.12.2010	State Government rules

In this respect, the Company has already paid full consideration as per agreement of Purchase of said property. However, approval of Himachal Pradesh Government for registration of Property in the name of Company is yet to be received.

- (d) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not revalued its Property, Plant and Equipment or Intangible assets or both during the year.
- (e) According to the information and explanation given to us and on the basis of our examination of the records of the company, there are no proceeding initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transaction Act 1988, and rule made thereunder.
- ii. (a) As explained to us, the inventories were physically verified during the year by the management at reasonable interval. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on such verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- b) According to the information and explanation given to us and on the basis of our examination of the records, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a consortium of banks on the basis of the security of current assets. The company is not availing any working capital limits from any Bank/Financial Institutions.

Therefore, no quarterly statements are required to be submitted to the bank.

- iii. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company, during the year, has not made any investment in, or provided guarantees or security or granted any loan or advances in the nature of loan, secured or unsecured to companies, firm, limited liability partnership.

The company has granted unsecured loan and advances in the nature of loan to other parties in respect of which requisite information is as below.

- a) Based on the audit procedures carried on by us and as per information and explanation given to us the company has provided loans to employee and advance in the nature of loan as below:

Particulars	Loans	Advance in the nature of Loans
Aggregate amount during the year		
- Employees	11.73 Lacs	Loan
- Others		

- c) According to the information and explanations given to us and on the basis of our examination the records of the Company, in the case of loans given, in our opinion the repayment of principal has been stipulated and the receipt have been regular except Rs 3.66 Lacs which is not received regularly. This amount pertains to those employees who left and the same will be adjusted when full and final payment is made.

- d) According to the information and explanations given to us and on the basis of our examination of the records of the company, Rs. 3.66 Lacs is overdue amount for more than ninety days in respect of loan given.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv). The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Further, the Company has not provided any loans, guarantees or security to the parties covered under Section 186 of the Act.
- (v). The company has not accepted any deposits or amounts which are deemed deposit from the public. Accordingly, clause 3(v) of the order is not applicable.
- (vi). We have broadly reviewed the cost records maintained by the Company pursuant to the (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not carried out detailed examination for the same.
- (vii). According to information and explanations given to us in respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed statutory dues including Goods and service tax, Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.  
  
There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - (b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2023 on account of dispute are given below:

Name of the statute	Nature of dues	Period to which it pertains	Amount in dispute	Forum where dispute is pending	Amount deposited	Matter of disputed
Central Excise Act, 1944	Excise Duty	1997-98	42.34	Hon'ble Punjab & Haryana High Court, Chandigarh	42.34	Difference on account of loose and packed yarn
	Excise Duty	2004-05	28.93	CESTAT, New Delhi	-	Cenvat credit on input has been reversed.
	Excise Duty	2008-09	103.2	Additional Commissioner C.E. Commissionerate, Chandigarh	7.74	Rebate on exports.
	Excise Duty	2009-10	1.14	Joint Secretary to Govt. of India, Ministry of Finance, New Delhi	-	Rebate on exports.
	Excise Duty	2014-15	168.55	Hon'ble Punjab & Haryana High Court, Chandigarh	-	Rebate on exports.
	Excise Duty	2014-15	22.42	Joint Secretary to Govt. of India, Ministry of Finance, New Delhi	-	
	Excise Duty	2017-18	50.63	Joint Secretary to Govt. of India, Ministry of Finance, New Delhi		
	Excise Duty	2017-18	66.92	Central Excise (Appeals), Chandigarh	5.02	
Service tax act	Service tax	2004 – 05, 2005 – 06 and 2006 – 07	14.11	CESTAT, New Delhi	1.41	Service Tax on Overseas commission
	Service tax	2009-10	1.27	CESTAT, New Delhi	-	SCN for Service Tax refund claimed.

Name of the statute	Nature of dues	Period to which it pertains	Amount in dispute	Forum where dispute is pending	Amount deposited	Matter of disputed
Income Tax Act	Income tax	1998-99 to 2002-2003, 2007-2008, 2016-2017, 2017-2018	779.59	CIT (Appeals), Ludhiana	25.69	Disallowance of deduction under section 80HHC & 80M, 44AD & 68 of Income Tax Act, Disallowance of Interest u/s 36(1)(iii) for investment in subsidiary companies, Disallowance of depreciation on profit on buy back of FCCB Bonds.
	Income tax	2004-2005, 2005-2006, 2006-2007, 2011-2012 to 2015-16	528.22	ITAT, Chandigarh	41.66	Disallowance of Interest u/s 36(1)(iii) for investment in subsidiary companies, computation u/s 14A, Interest disallowance on advances to subsidiary companies u/s 36(1)(iii) Disallowance of depreciation on profit on buy back of FCCB Bonds, Subscription of Share Capital - Section 68
	Income tax	1998-99 to 2001-2002 2003-2004, 2004-2005 2008-09 to 2010-2011	527.14	Hon'ble Punjab & Haryana High Court, Chandigarh	152.65	Disallowance of deduction under section 80HHC, 80IB & 80M, Disallowance of Interest u/s 36(1)(iii) & as revenue expenditure or capital expenditure though matter decided by Hon'ble SC in our favor and levy of interest u/s 234 D, Disallowance u/s 14-A.
	Income tax	2015-16 & 2016-17	3419.33	DCIT (TDS)	-	Failure to deduct TDS u/s 271C
	Income tax	2016-17	203.25	ITO (TDS)	-	Failure to deduct TDS u/s 271C
Punjab General Sales Tax Act	Punjab Vat	2000-01, 2001-02	17.61	DETC Appeal	4.41	Incremental production in respect of additional fixed capital investment.
	Punjab Vat	2005-06	0.49	DETC, Patiala	0.12	
	Punjab Vat	2006-07	33.08	DETC (Appeals), Faridkot (Pb.)	-	Disallowance of ITC in respect of purchases from M/s Chabra Ind. & ITC on Diesel.
	Punjab Vat	2008-09	62.14	VAT Tribunal, Punjab	-	Disallowance of ITC on Diesel & reversal of entry tax in respect of branch transfer & 19(5)
	Punjab Vat	2009-10	79	VAT Tribunal, Punjab	-	ITC on diesel, Reversal of 19(5) in exempted units, reversal of entry tax in respect of branch transfer & 19(5).
	Punjab VAT	2011-12	18	DETC Appeals, Faridkot	4.5	Interest on additional demand.
	Punjab VAT	2012-13	8.73	DETC Appeals, Faridkot	4.02	Interest on additional demand.
Wealth Tax Act	Wealth Tax	A.Y. 1998-99	2.47	ITAT, Chandigarh	-	Dispute on valuation of land

(viii) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclose any transaction, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax act, 1961 as income during the year. Clause 3(viii) are not applicable to the company hence not commented upon.

(ix) (a) The accounts of the company were classified as NPA by the Banks. State Bank of India, United Bank of India, Canara Bank, Bank of Baroda, Bank of Maharashtra, Union Bank of India (formerly known as Andhra Bank and Corporation Bank) and Axis Bank have assigned their respective debt to Phoenix ARC Private Limited through Assignment Agreements. Some of the lenders had issued notices U/S 13(2)& 13(4) of Securitization and Reconstruction of Financial Assets and Enforcement of

Security Interest (SARFAESI) Act, 2002 which were duly replied and proceedings are pending before Debt Recovery Tribunal (DRT), Chandigarh. Further, the company had settled its debts under OTS with Bank of India, Indian Bank (Allahabad bank), Punjab National Bank, J & K Bank and Punjab & Sind Bank. The company has made entire payment in terms of OTS and received NOC's from them during the year. The company is in the process of signing an agreement with Phoenix ARC Private Limited specifying the repayment schedule and exact outstanding balances of the below mentioned banks. In the absence of an agreement, we are unable to comment on whether the Company has defaulted on its repayment obligations/not. Following is the bank wise break up of debt assigned to Phoenix ARC private Limited

(Amount in Lakhs)

Name of Bank	Date of Assignment to ARC	Total Outstanding as at 31.03.2023
Bank of Baroda	28.12.2021	6,599.41
Bank of Maharashtra	29.12.2021	2,844.32
Canara Bank	27.09.2021	11,860.84
Axis Bank	15.11.2022	532.44
State Bank of India	27.03.2020	8,268.15
Union Bank of India (Formerly Andhra Bank & Corporation Bank)	30.03.2022	7,054.80
United Bank of India	28.03.2018	7,228.53
<b>Total</b>		<b>44,388.49</b>

- (b) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company is not declared willful defaulter by any bank or financial institution or government or government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, the company has not been granted any term loan during the year.
- (d) According to the information and explanation given to us and on the basis of overall examination of the balance sheet of the company, we report that no fund has been raised on short- term basis.
- (e) According to information and explanation given to us and on overall examination of financial statement of the company, we report that Company has not taken fund from any entity or person on account of or to meet the obligation of its subsidiaries, associate or joint venture.
- (f) According to information and explanation given to us and procedure performed by us, we report that the company has not raised loans during the Year on pledge of securities held in its subsidiaries, joint ventures, or associate company (as defined under the act).
- (x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year, Accordingly Clause, 3(x)(a) of the Order is not applicable to the company.
- (b) During the year, the company has not made any preferential allotment or private placement of shares convertible debenture (fully, partially or optionally) during the year and hence reporting under clause 3(x)(b) of the order is not applicable to the company.
- (xi). (a) Based on the examination of the books and records of the company and according to the Information and explanation given to us, considering the principle of materiality outline in the standard of auditing we report that no fraud by the company or on the company has been noticed during the course of the audit.
- (b) According to information and explanation given to us, no report under sub- section (12) of section 143 of the act has been filed by the auditors in form ADT-4 as prescribed Under Rules 13 of Companies (Audit and Auditor) Rules, 2014 with the central government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanation provided to us and our audit procedures, in our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit report of the company issued till date for the period under audit.
- (xv) According to information and explanations 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 directors or persons connected with him and hence the provision of section 192 of the companies act 2013, are not applicable.
- (xvi) (a) According to information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore provision of clause 3(xvi)(a) and (b) of the order are not applicable to company hence not commented upon.
- (c) The company is not a Core Investment company (CIC) as defined in the regulation made by Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the order are not applicable.
- (d) According to the information and explanation provide to us during the course of audit, the Group does not have any CICs.
- (xvii) Based on the procedure performed and information and explanation given by the management the company has not incurred any cash loss in the current financial year, however the amount of cash loss in immediately preceding financial year was 205.69 Lakhs.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanation given to us and on the basis of financial ratio, ageing and the expected dates of realization of the financial assets and payment of financial liabilities, other information accompanying the

financial statement, our knowledge of the board of director and management plans and based on our examination of evidence supporting the assumption nothing has come to our attention, which cause us to believe that any material uncertainty exists on the date of audit report and the company is not capable meeting its liabilities existing at the date of balance sheet as and when they fall due within a period one year from the Balance Sheet date. We, however, state that this is not assurance as to the future viability of the company. We further state that our reporting is based on facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, section 135 of the Act is not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Romesh K Aggarwal & Associates**  
Chartered Accountants  
FRN - 000711N

Sd/-

**Ruchir Singla**  
Partner

Place - Ludhiana

M. No. 519347

Dated – 30<sup>th</sup> May, 2023

UDIN - 23519347BGXRRO1544

**ANNEXURE B to the Independent Auditor’s Report of even date on the Ind As Financial statements**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

**(Referred to in paragraph 2A(f) under the heading “Report on other legal and regulatory requirements” of our report of even date)**

**Opinion**

We have audited the internal financial controls over financial reporting of Vardhman Polytex Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls

Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

**Management’s and Board of Director’s Responsibility for Internal Financial Controls**

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor’s Responsibility**

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

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

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

## Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to Financial Statements 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 controls with reference to Financial Statements 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with Reference to Financial Statements, 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.

**For Romesh K Aggarwal & Associates**  
Chartered Accountants  
FRN - 000711N

Sd/-  
**Ruchir Singla**  
Partner

Place - Ludhiana  
Dated – 30<sup>th</sup> May, 2023

M. No. 519347  
UDIN - 23519347BGXRRO1544





**BALANCE SHEET AS AT 31ST MARCH 2023**

(₹ in Lakh)

	Note No.	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>1 Non current assets</b>			
a) Property, plant and equipment	2	15,420.18	16,537.38
b) Investment Property	2(a)	455.86	465.70
c) Capital work-in-progress	2(b)	-	-
d) Other intangible assets	2	3.04	3.77
e) Financial assets			
i) Investments	3	0.62	0.62
ii) Loans	4	-	-
iii) Other financial assets	5	843.44	658.29
iv) Trade Receivables	6	532.32	302.47
f) Deferred tax assets (net)	7	5,016.18	5,016.18
g) Other non-current assets	8	31.54	31.63
<b>Total Non Current Assets</b>		<u>22,303.18</u>	<u>23,016.04</u>
<b>2 Current assets</b>			
a) Inventories	9	1,592.72	4,375.49
b) Financial assets			
i) Trade and other receivables	10	18.57	1,079.74
ii) Cash and cash equivalents	11	30.41	6.41
iii) Bank balances other than above	12	13.20	8.20
iv) Loans	13	11.73	15.06
v) Other financial assets	14	36.52	32.82
c) Current tax assets	15	469.59	401.89
d) Other current assets	16	4,665.39	3,674.85
<b>Total Current Assets</b>		<u>6,838.13</u>	<u>9,594.46</u>
<b>TOTAL ASSETS</b>		<u><b>29,141.31</b></u>	<u><b>32,610.50</b></u>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
a) Equity share capital	17	2,229.10	2,229.10
b) Other equity	18	(38,459.77)	(38,585.10)
<b>Total Equity</b>		<u>(36,230.67)</u>	<u>(36,356.00)</u>
<b>2 Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	19	-	43.29
b) Long term provisions	20	264.56	244.47
c) Other non-current liabilities	21	0.53	0.53
<b>Total Non Current Liabilities</b>		<u>265.09</u>	<u>288.29</u>
<b>3 Current Liabilities</b>			
a) Financial liabilities			
i) Borrowings	22	44,748.44	52,852.94
ii) Trade payables	23		
- Total Outstanding dues of Micro, Small and Medium Enterprises		-	-
- Total Outstanding dues of Creditors other than Micro, Small and Medium Enterprises		14,343.79	10,079.92
iii) Other financial liabilities	24	4,077.10	4,398.86
b) Other current liabilities	25	915.23	311.69
c) Short term provisions	26	1,022.33	1,034.80
<b>Total Current Liabilities</b>		<u>65,106.89</u>	<u>68,678.21</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>29,141.31</b></u>	<u><b>32,610.50</b></u>
<b>Significant accounting policies</b>	1		
<b>The accompanying notes form an integral part of these financial statements</b>			

As per our report of even date  
**For Romesh K. Aggarwal & Associates**  
Chartered Accountants  
Firm Reg. No:-000711N

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF VARDHMAN POLYTEX LIMITED**

Sd/-  
**Ruchir Singla**  
Partner  
Membership No. 519347  
UDIN- 23519347BGXRRO1544

Sd/-  
**Manju Oswal**  
Director  
DIN-00009449

Sd/-  
**Adish Oswal**  
Chairman & Managing Director  
DIN-00009710

Place: Ludhiana  
Date: 30th May 2023

Sd/-  
**Ajay K. Ratra**  
Company Secretary

Sd/-  
**Radhamohan Soni**  
Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lakh)

Particulars	Notes No.	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue</b>			
Revenue from operations	27	61,551.04	92,859.51
Other incomes	28	615.82	307.56
<b>Total Income (I)</b>		<b>62,166.86</b>	<b>93,167.07</b>
<b>Expenses</b>			
Cost of material consumed	29	46,825.84	70,856.82
Purchase of traded goods	30	4,088.19	2.06
Changes in inventories of finished goods	31	2,126.15	(2,281.77)
Employee benefit expense	32	4,518.37	5,718.67
Finance costs	33	5,340.09	6,416.18
Depreciation and amortization expense	2	1,219.39	1,364.97
Power & Fuel Cost	34	4,462.72	7,074.52
Other expenses	34	3,156.60	5,571.17
<b>Total expenses (II)</b>		<b>71,737.35</b>	<b>94,722.62</b>
<b>Profit before exceptional items and tax (I-II = III)</b>		<b>(9,570.49)</b>	<b>(1,555.55)</b>
Exceptional items (IV)/(Income)	35	(9,719.63)	-
<b>Profit before tax (III - IV = V)</b>		<b>149.14</b>	<b>(1,555.55)</b>
Tax expense (VI)			
Current tax		-	-
Deferred tax (credit)		-	-
<b>Profit for the period from continuing operations After Tax (V - VI = VII)</b>		<b>149.14</b>	<b>(1,555.55)</b>
<b>Other Comprehensive Income (VIII)</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit obligation		(23.81)	(15.11)
<b>Total Comprehensive Income for the period (VII + VIII = IX)</b>			
<b>(Comprising Profit (Loss) and Other Comprehensive income for the period)</b>		<b>125.33</b>	<b>(1570.66)</b>
<b>Earnings per equity share</b>			
Basic	38	0.67	(6.98)
Diluted		0.67	(6.98)
<b>The accompanying notes form an integral part of these financial statements</b>			

As per our report of even date

For Romesh K. Aggarwal & Associates  
Chartered Accountants  
Firm Reg. No:-000711N

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF VARDHMAN POLYTEX LIMITED

Sd/-  
Ruchir Singla  
Partner  
Membership No. 519347  
UDIN- 23519347BGXRRO1544

Sd/-  
Manju Oswal  
Director  
DIN-00009449

Sd/-  
Adish Oswal  
Chairman & Managing Director  
DIN-00009710

Place: Ludhiana  
Date: 30th May 2023

Sd/-  
Ajay K. Ratra  
Company Secretary

Sd/-  
Radhamohan Soni  
Chief Financial Officer



## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A. Cash flow from Operating Activities:</b>		
Net profit before tax	149.14	(1,555.55)
<b>Adjustments for:</b>		
<b>Add:</b>		
Depreciation and amortisation	1,219.39	1,364.97
Finance costs	5,340.09	6,416.18
Foreign currency monetary item translation difference (net)	43.49	12.93
Sundry balance written off	(14.10)	0.49
Investment Written off	-	22.54
Provision for doubtful advances	-	768.93
Net Loss on sale / discarding of fixed assets	8.39	-
<b>Less:</b>		
Interest income	(35.22)	(29.60)
Amount written back under OTS	(9,719.63)	-
Net Profit on sale / discarding of fixed assets	-	(31.08)
<b>Operating Profit before Working Capital changes</b>	<b>(3,008.45)</b>	<b>6,969.81</b>
<b>Adjustments for changes in Working Capital :</b>		
- Increase/(decrease) in trade payables and other Liabilities	4,668.16	3,261.41
- (Increase)/decrease in trade receivables and other receivables	(412.35)	(1,600.99)
- (Increase)/decrease in inventories	2,782.77	(2,483.77)
<b>Cash generated from Operating Activities</b>	<b>4,030.13</b>	<b>6,146.46</b>
- Taxes (paid) (net of tax deducted at source)	-	-
<b>Net cash (used in)/ generated from Operating Activities</b>	<b>4,030.13</b>	<b>6,146.46</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of fixed assets	(121.62)	(200.75)
Sale of fixed assets	21.61	106.58
Interest received	35.22	29.60
<b>Net Cash from Investing Activities</b>	<b>(64.79)</b>	<b>(64.57)</b>
<b>C. Cash flow from Financing Activities:</b>		
Proceeds from Short borrowings	-	667.30
Repayment of short term borrowings	(3,384.32)	-
Repayment of long term borrowings	(99.08)	(115.35)
Interest paid	(452.94)	(6,628.28)
<b>Net Cash from Financing Activities</b>	<b>(3,936.34)</b>	<b>(6,076.33)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>29.00</b>	<b>5.56</b>
<b>Cash and cash equivalents as at 1st April (Opening Balance)</b>	<b>14.61</b>	<b>9.05</b>
<b>Cash and cash equivalents as at 31st March (Closing Balance)</b>	<b>43.61</b>	<b>14.61</b>
<b>Cash and cash equivalents comprise</b>		
Cash & cheques in hand	5.43	6.41
Balance with banks	38.18	8.20
	<b>43.61</b>	<b>14.61</b>

**Notes :**

The accompanying notes are an integral part of these financial statements

As per our report of even date  
**For Romesh K. Aggarwal & Associates**  
**Chartered Accountants**  
 Firm Reg. No:-000711N

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF VARDHMAN POLYTEX LIMITED

Sd/-  
**Ruchir Singla**  
 Partner  
 Membership No. 519347  
 UDIN- 23519347BGXRRO1544

Sd/-  
**Manju Oswal**  
 Director  
 DIN-00009449

Sd/-  
**Adish Oswal**  
 Chairman & Managing Director  
 DIN-00009710

Place: Ludhiana  
 Date: 30th May 2023

Sd/-  
**Ajay K. Ratra**  
 Company Secretary

Sd/-  
**Radhamohan Soni**  
 Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY SHARE CAPITAL FOR THE YEAR ENDED 31ST MARCH, 2023

a. Equity share capital			(₹ in lakh)
Particulars	Number of Shares	Amount	
<b>Paid up Capital</b>			
<b>Balance as at April 1, 2021</b>	2,22,90,957	2,229.10	
Changes in Equity share capital due to prior period errors	-	-	
Restated balance as at 2021	-	-	
Changes during the year	-	-	
<b>Balance as at April 1, 2022</b>	2,22,90,957	2,229.10	
Changes in Equity share capital due to prior period errors	-	-	
Restated balance as at 2022	-	-	
Changes during the year	-	-	
<b>Balance as at March 31, 2023</b>	<b>2,22,90,957</b>	<b>2,229.10</b>	
<b>Add:- Forfeited Shares in earlier years</b>	-	-	
<b>Total Equity Share Capital</b>	<b>2,22,90,957</b>	<b>2,229.10</b>	

## Statement of Changes in Other Equity

b. Other Equity						(₹ in lakh)
Particulars	Reserves and Surplus			Items of other comprehensive income	Total	
	General reserve*	Security premium**	Retained earnings***	Actuarial Gain / (Loss)		
<b>Balance at April 1, 2021</b>	9,865.25	7,731.06	(54,500.76)	(139.52)	(37,043.98)	
Changes in Equity share capital due to prior period errors	-	-	-	-	-	
Restated balance as at April 1,2021	-	-	-	-	-	
Profit for the year	-	-	(1,555.55)	-	(1,555.55)	
Other comprehensive income for the year, net of income tax	-	-	-	(15.11)	(15.11)	
Changes in provision for tax written off	-	-	29.54	-	29.54	
Total comprehensive income for the year	-	-	(1,526.01)	(15.11)	(1,541.12)	
<b>Balance at March 31, 2022</b>	9,865.25	7,731.06	(56,026.77)	(154.63)	(38,585.10)	
<b>Balance at April 1, 2022</b>	9,865.25	7,731.06	(56,026.77)	(154.63)	(38,585.10)	
Changes in Equity share capital due to prior period errors	-	-	-	-	-	
Restated balance as at April 1,2022	-	-	-	-	-	
Profit for the year	-	-	149.14	-	149.14	
Other comprehensive income for the year, net of income tax	-	-	-	(23.81)	(23.81)	
Changes in provision for tax written off	-	-	-	-	-	
Total comprehensive income for the year	-	-	149.14	(23.81)	125.32	
<b>Balance at March 31, 2023</b>	9,865.25	7,731.06	(55,877.63)	(178.44)	(38,459.77)	

\* The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another.

\*\* Security Premium reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

\*\*\* Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2023**

**1 Corporate Information**

- a) Vardhman Polytex Limited (the' Company) is a public limited listed company registered under the erstwhile Companies Act 1956 (superseded by Companies Act, 2013). The Company's principal activity is manufacturing of yarn & garments. The company is listed on two stock exchanges i.e at National Stock Exchange & Bombay Stock Exchange.
- b) The company's principal place of business is located at 'Vardhman Park, Chandigarh Road, Ludhiana - 141123' & factories/units are located at the following premises:
  - i) Badal Road, Bathinda, Punjab - 151005
  - ii) D295/1, Phase VIII, Focal point, Ludhiana, Punjab - 141123
  - iii) Village Nangal Nihla/Upperla, Swarghat Road, Nalagarh, Himachal Pradesh - 174101
- c) These financial statements are presented in Indian Rupees (Rs) which is also its functional currency.

**1A Significant accounting policies**

**a) Statement of compliance & Basis of preparation & presentation**

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013. The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

**b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP, which requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**c) Revenue recognition**

Revenue is recognised at fair value of the consideration received or receivable. The amount disclosed as revenue is inclusive of and net of returns, trade discounts, Goods & Service Tax related taxes and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

**i) Sale of goods**

Revenue from sale of goods is recognized when significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be reliably estimated and there is no continuing effective control or managerial involvement with the goods and the amount of revenue can be measured reliably. Revenue is recognized in respect of export sales on the basis of bill of lading.

**ii) Export Incentives**

Revenue in respect of export incentives / benefits are accounted for on post export basis.

**iii) Dividends**

Revenue in respect of dividends is recognized when the shareholders' right to receive payment is established by the balance sheet date.

**iv) Interest**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**v) Insurance Claim**

Claims with insurance companies are accounted on accrual basis to the extent, no significant uncertainty exists and these are measurable and ultimate collection is reasonably certain.

**d) Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence. Cost of inventories comprises of cost of purchase, conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. The cost in respect of various items of inventory is computed as under:

- i. Stores, spares and raw materials are valued at lower of historical cost or net realizable value. However materials & other items held for use in the production of inventories are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- ii. Work in progress is valued at raw material cost plus conversion cost depending upon the stage of completion.
- iii. Finished goods are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. By products are valued at net realizable value.
- iv. Raw material valuation is determined on the basis of weighted average method.

**e) Financial Instruments**

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

**I. Initial recognition and measurement**

On initial recognition, all the financial assets and liabilities are recognized at their fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss account. Transaction costs of financial asset and liabilities carried at fair value through profit and loss are immediately recognized in the Statement of Profit or Loss.

**II. Subsequent Measurement (Non Derivative Financial Instrument)****a) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments on principal and interest on the principal amount outstanding.

**b) Financial Asset At Fair Value Through Other Comprehensive Income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets At Fair Value Through Profit or Loss (FVTPL)**

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

**d) Financial Liabilities**

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**e) Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**f) Property, plant and equipment**

Land is carried at cost and all other items of property plant, equipments and fixtures are stated at cost less accumulated depreciation. The cost of property, plant and equipment includes

- 1) its purchase price including import duties and non refundable taxes after reducing trade discount and rebate if any.
- 2) any attributable expenditure directly attributable to bring an assets to the location and the working condition for its intended use.



Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes is classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the straight line method over the estimated useful lives.

**g) Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over expected useful life on a straight line basis from the date they are available for use.

**h) Impairment of assets**

**I. FINANCIAL ASSETS**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

**II. Non-Financial Assets**

**Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net off any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior year.

**i) Foreign exchange transactions/translation**

**a. Initial recognition**

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

**b. Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**c. Exchange Differences**

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as an expense.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**d. Forward exchange contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

**j) Employee benefits**

**i. Short Term Employee Benefits**

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of Profit and loss of the year in which the related service is rendered.

**ii. Post Employee Benefits**

**A) Defined Contribution Plans**

**i. Provident Fund & ESI**

The company makes contribution to Statutory Provident Fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

**B) Defined Benefit Plans**

**Gratuity**

The company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees of the company. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the company.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**k) Taxes on income**

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case, it is also recognized in equity or other comprehensive income respectively.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (including those arising from consolidation adjustments such as unrealized profit on inventory etc.). Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

**l) Government grants and subsidies**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

**m) Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**n) Provisions, contingent liabilities and contingent assets**

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. A contingent liability is recognized for:

- i. a present obligation that arises from past events but is not recognized as a provision because either the possibility that an outflow of resources embodying economic benefits will be required to settle the obligation is remote or a reliable estimate of the amount of the obligation cannot be made; and
- ii. a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are neither accounted for nor disclosed in the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**o) Earning per share**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**p) Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank and in hand, including offsetting bank overdrafts, and short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in fair value and have a maturity of three months or less from the acquisition date.

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2023**

**2 Fixed assets**

**a) As at 31st March 2023**

	(₹ in Lakh)										
	Tangible assets					Intangible assets		Total assets			
	Leasehold land *	Free hold land	Building	Plant & machinery	Other equipment	Furniture and fixtures	Vehicles	Computer	Total	Trade mark (bought out)	Total
<b>Cost</b>											
As at 1st April 2022 (Refer Note (a))	136.77	2,444.85	12,956.79	41,245.11	224.77	249.36	333.66	573.21	58,164.52	10.94	58,175.46
Additions	-	-	1.24	88.08	4.94	2.29	-	25.07	121.62	-	121.62
Relating to disposals	-	-	-	(561.88)	-	-	(27.40)	-	(589.28)	-	(589.28)
Transfer from	-	-	-	-	-	-	-	-	-	-	-
Transfer to	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2023	136.77	2,444.85	12,958.03	40,771.31	229.71	251.65	306.26	598.28	57,696.86	10.94	57,707.80
<b>Depreciation</b>											
As at 1st April 2022 (Refer Note (a))	-	-	5,740.40	34,655.47	198.75	228.45	305.70	498.37	41,627.14	7.17	41,634.31
Charge for the year	-	-	357.44	824.03	6.07	3.52	5.69	12.07	1,208.82	0.73	1,209.55
Relating to disposals	-	-	-	(533.79)	-	-	(25.49)	-	(559.28)	-	(559.28)
Transfer from	-	-	-	-	-	-	-	-	-	-	-
Transfer to	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2023	-	-	6,097.84	34,945.71	204.82	231.97	285.90	510.44	42,276.68	7.90	42,284.58
<b>Net block</b>											
As at 31st March 2023	136.77	2,444.85	6,860.19	5,825.60	24.89	19.68	20.36	87.84	15,420.18	3.04	15,423.22

**b) As at 31st March 2022**

	(₹ in Lakh)										
	Tangible assets					Intangible assets		Total assets			
	Leasehold land *	Free hold land	Building	Plant & machinery	Other equipment	Furniture and fixtures	Vehicles	Computer	Total	Trade mark (bought out)	Total
<b>Cost</b>											
As at 1st April 2021 (Refer Note (a))	136.77	2,444.85	12,956.79	42,289.92	216.28	248.69	344.55	559.25	59,197.10	10.94	59,208.04
Additions	-	-	-	176.90	9.22	0.67	-	13.96	200.75	-	200.75
Relating to disposals	-	-	-	(1,221.71)	(0.73)	-	(10.89)	-	(1,233.33)	-	(1,233.33)
As at 31st March 2022	136.77	2,444.85	12,956.79	41,245.11	224.77	249.36	333.66	573.21	58,164.52	10.94	58,175.46
<b>Depreciation</b>											
As at 1st April 2021 (Refer Note (a))	-	-	5,376.40	34,852.17	189.66	222.81	304.41	485.12	41,430.57	6.44	41,437.01
Charge for the year	-	-	364.00	950.08	9.79	5.64	11.64	13.25	1,354.40	0.73	1,355.13
Relating to disposals	-	-	-	(1,146.78)	(0.70)	-	(10.35)	-	(1,157.83)	-	(1,157.83)
Adjustment	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	-	-	5,740.40	34,655.47	198.75	228.45	305.70	498.37	41,627.14	7.17	41,634.31
<b>Net Block</b>											
As at 31st March 2022	136.77	2,444.85	7,216.39	6,589.64	26.02	20.91	27.96	74.84	16,537.38	3.77	16,541.15

a) \* This amount has been completely provided for as the Company's right on leasehold land has been forfeited by MIDC due to non compliance of terms of allotment.

b) The company has not revalued its Property, Plant & Equipment (Right to use Assets) or intangible assets or both during the Year.

**2 (a) Investment Property** (₹ in Lakh)

	Building	
	Amount	Amount
<b>Cost</b>		
As at 1st April 2022 & 2021	631.55	631.55
Additions	-	-
Relating to disposals	-	-
<b>As at 31st March 2023 &amp; March 2022</b>	<b>631.55</b>	<b>631.55</b>
<b>Depreciation</b>		
As at 1st April 2022 & 2021	165.85	156.01
Charge for the year	9.84	9.84
Relating to disposals	-	-
Adjustment	-	-
<b>As at 31st March 2023 &amp; March 2022</b>	<b>175.69</b>	<b>165.85</b>
<b>Net block</b>		
As at 31st March 2023 & March 2022	455.86	465.70

**2(b) Capital work-in-progress** (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Capital Work in Progress	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**3 Financial Assets: Non Current Investments** (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>A. Unquoted Investments</b>		
(Financial Assets carried at cost, except for permanent diminution in value)		
<b>I. Equity Instruments in Others</b>		
(a) <b>Oswal Industrial Enterprise (P) Ltd</b>		
1,000 (Previous Year-1,000) equity shares of ₹10 each fully paid	0.09	0.09
(b) <b>VKM Colour Spin Limited</b>		
250 (Previous Year-250) equity shares of ₹ 10 each fully paid	0.03	0.03
(c) <b>Deluxe Fabrics Limited</b>		
5000 (Previous Year- 5000) equity shares of ₹ 10 each fully paid	0.50	0.50
	<u>0.62</u>	<u>0.62</u>
<b>Total aggregate Investments</b>	<b>0.62</b>	<b>0.62</b>
<b>Total investment carrying value</b>	<u>0.62</u>	<u>0.62</u>
Aggregate amount of unquoted investments	0.62	0.62

**4 Financial Assets: Loans (Non Current)** (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Carried at amortised cost</b>		
(a) Loan to others	10.00	10.00
Less: Provision for doubtful loans	(10.00)	(10.00)
<b>Total</b>	<u>-</u>	<u>-</u>

5 Other financial assets measured at amortised cost (Non Current) (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Security		
Security Deposit With P&T	1.76	1.76
Security deposit with government authorities	830.12	645.03
Security Deposit-Others*	11.11	11.05
(c) Fixed deposits (With more than 12 months Maturity)*	0.45	0.45
<b>Total</b>	<b>843.44</b>	<b>658.29</b>

\* This amount is net of provisions to the tune of ₹ 60 Lakh( Previous year ₹ 60 lakh).

6 Financial assets: Trade receivables (Non Current) (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Receivable from Others</b>		
- Unsecured, Considered Good :	532.32	302.47
- Doubtful	880.20	1,153.91
Less: Allowance for doubtful receivable	(880.20)	(1,153.91)
<b>Total Long Term Debtors</b>	<b>532.32</b>	<b>302.47</b>

(a) Ageing as at 31.03.2023 (₹ in Lakh)

Particulars	Outstanding for following periods from due date date of payment					Total
	Less than 6 months	6 months -1 year	1 year - 2 year	2 year - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	-	328.13	68.83	125.88	522.84
Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	661.66	661.66
Disputed Trade Receivables –credit impaired	-	-	-	-	228.02	228.02
	-	-	<b>328.13</b>	<b>68.83</b>	<b>1015.56</b>	<b>1412.52</b>
<b>Less: Allowance for doubtful trade receivables - Billed</b>						<b>880.20</b>
<b>Add: Not due as at 31.03.2023</b>						<b>0</b>
<b>Net Trade Receivables</b>						<b>532.32</b>

(b) Ageing as at 31.03.2022 (₹ in Lakh)

Particulars	Outstanding for following periods from due date date of payment					Total
	Less than 6 months	6 months -1 year	1 year - 2 year	2 year - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	-	127.25	66.59	90.07	283.91
Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	163.00	678.56	841.56
disputed Trade Receivables –credit impaired	-	-	-	-	330.91	330.91
	-	-	<b>127.25</b>	<b>229.59</b>	<b>1099.54</b>	<b>1456.38</b>
<b>Less: Allowance for doubtful trade receivables - Billed</b>						<b>1153.91</b>
<b>Add: Not due as at 31.03.2022</b>						<b>-</b>
<b>Net Trade Receivables</b>						<b>302.47</b>



<b>7 Deferred Tax (NET)</b>		<b>(₹ in Lakh)</b>	
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	
<b>Deferred tax liabilities</b>			
Arising on account of timing difference :			
<b>Opening</b>	1,966.94	2,057.85	
Accumulated depreciation	(434.59)	(90.91)	
<b>Total (A)</b>	<b>1,532.35</b>	<b>1,966.94</b>	
<b>Deferred tax assets</b>			
Arising on account of timing difference :			
<b>Opening</b>	(6,983.12)	(7,074.03)	
Unabsorbed depreciation/Brought forward losses	434.59	90.91	
Others	-	-	
<b>Total (B)</b>	<b>(6,548.53)</b>	<b>(6,983.12)</b>	
<b>Net deferred tax liability/(Assets) (A) + (B)</b>	<b>-5,016.18</b>	<b>-5,016.18</b>	

The company has deferred tax liability till the end of the current year on account of differences arising between carrying cost of fixed assets as per books of accounts and that as per income tax. However, deferred tax assets are much higher than the deferred tax liability. In view of this, no further deferred tax assets are being recognised as at March 31, 2023. Based on the company's virtual certainty of the profit, the company is carrying a deferred tax asset of ₹ 5,016.18 lakh as on March 31, 2023. Further despite the net worth being eroded the management is taking all due steps to revive the company. Therefore the financial statements have been prepared on going concern basis.

<b>8 Other non current assets</b>		<b>(₹ in Lakh)</b>	
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	
Capital advances			
Unsecured - considered good*	31.54	31.63	
<b>Total</b>	<b>31.54</b>	<b>31.63</b>	

\* This amount is net of provisions to the tune of ₹ 51.20 Lakh (Previous year ₹ 51.20 Lakh).

<b>9 Inventories ( valued at lower of cost or net realizable value)</b>		<b>(₹ in Lakh)</b>	
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	
Raw materials	264.28	886.16	
Work in progress	843.34	921.41	
Finished goods	370.62	2,418.70	
Stores & spares parts	114.48	149.22	
<b>Total</b>	<b>1,592.72</b>	<b>4,375.49</b>	

<b>10 Financial assets: Trade receivables(Current)</b>		<b>(₹ in Lakh)</b>	
<b>Particulars</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>	
Receivable from Others			
-Unsecured, Considered Good :	1,431.09	2,536.12	
Less: Non Current Trade Receivable	1,412.52	1,456.38	
	<b>18.57</b>	<b>1,079.74</b>	
Less: Provision for doubtful debts	-	-	
<b>Total</b>	<b>18.57</b>	<b>1,079.74</b>	

## (A) Ageing as at 31.03.2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date date of payment					Total
	Less than 6 months	6 months -1 year	1 year - 2 year	2 year - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	18.57	-	-	-	18.57
Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
	-	18.57	-	-	-	18.57
<b>Less: Allowance for doubtful trade receivables - Billed</b>						-
<b>Add: Not due as at 31.03.2023</b>						-
<b>Net Trade Receivables</b>						18.57

## (B) Ageing as at 31.03.2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date date of payment					Total
	Less than 6 months	6 months -1 year	1 year - 2 year	2 year - 3 years	More than 3 years	
Undisputed Trade receivables – considered good	1068.14	11.60	-	-	-	1079.74
Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
	1068.14	11.60	-	-	-	1079.74
<b>Less: Allowance for doubtful trade receivables - Billed</b>						-
<b>Add: Not due as at 31.03.2022</b>						-
<b>Net Trade Receivables</b>						1079.74

## 11 Financial assets: Cash and cash equivalents

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Cash and Cash Equivalents</b>		
Cash on hand	5.43	6.41
<b>Bank balances:</b>		
in current accounts	24.98	(0.00)
in deposit accounts with original maturity upto 3 months	-	-
<b>Total</b>	<b>30.41</b>	<b>6.41</b>

**12 Financial assets: Bank balances other than above (₹ in Lakh)**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Bank balances:</b>		
Fixed deposits (More than 3 months but less than 12 months maturity)*	13.20	8.20
<b>Total</b>	<b>13.20</b>	<b>8.20</b>

\* Includes Fixed deposits held with bank(s) against margin money for bank guarantee and others.

**13 Financial Assets: Loans (Current) (₹ in Lakh)**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Carried at amortised cost</b>		
(a) Other loans		
Loans to employees		
Un Secured - considered good	11.73	15.06
<b>Total</b>	<b>11.73</b>	<b>15.06</b>

**14 Other financial assets (Current) (₹ in Lakh)**

Particulars	As at 31 March 2023	As at 31 March 2022
Interest receivable	31.85	28.11
Others	4.67	4.71
<b>Total</b>	<b>36.52</b>	<b>32.82</b>

**15 Current tax assets (₹ in Lakh)**

Particulars	As at 31 March 2023	As at 31 March 2022
Direct Taxes Refundable	469.59	401.89
<b>Total</b>	<b>469.59</b>	<b>401.89</b>

Direct taxes refundable includes amounts recoverable from the Income Tax Department for various assessment years net of provision. In respect of disputed demands, company has filed appeals which are pending at various levels and the company is hopeful of getting the desired reliefs at various forums. Necessary value adjustments shall be made on final settlement by the department.

**16 Other current assets (₹ in Lakh)**

Particulars	As at 31 March 2023	As at 31 March 2022
Advance to employees	0.02	1.06
Balances with Government Authorities	4,515.35	3,622.71
Less: Provision against Govt receivable	(448.75)	(448.75)
Prepaid expenses	39.89	35.48
Others	558.88	464.35
Assets held for sale	-	-
<b>Total</b>	<b>4,665.39</b>	<b>3,674.85</b>

a) Balance with Government authorities includes ₹ 71.76 lakh (Previous Year ₹ 66.74 Lakh) being amount of ESI, Excise Duty, Service Tax & Sales Tax, deposited under protest.

b) Balance with Government authorities includes, GST, VAT, Excise, Service Tax etc.

## 17 Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount ₹ in Lakh	Number of shares	Amount ₹ in Lakh
<b>Authorised Share Capital</b>				
Equity share of ₹ 10 each	7,00,00,000	7,000.00	7,00,00,000	7,000.00
<b>Total</b>	<u>7,00,00,000</u>	<u>7,000.00</u>	<u>7,00,00,000</u>	<u>7,000.00</u>
<b>Issued &amp; Subscribed Share Capital</b>				
2,23,54,484 (Previous year 2,23,54,484 equity shares of ₹ 10 each)	2,23,54,484	2,235.45	2,23,54,484	2,235.45
<b>Paid up Share Capital</b>				
2,22,90,957 (Previous year 2,22,90,957 equity shares of ₹ 10 each)	2,22,90,957	2,229.10	2,22,90,957	2,229.10
Forfeited shares in earlier years	-	-	-	-
<b>Total</b>	<u>2,22,90,957</u>	<u>2,229.10</u>	<u>2,22,90,957</u>	<u>2,229.10</u>

## 17.1 Reconciliation of the Number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>Equity shares</b>				
At the beginning of the year	2,22,90,957	2,229.10	2,22,90,957	2,229.10
<b>Add:</b>				
Shares allotted during the year	-	-	-	-
Outstanding at the end of reporting period (refer note no. a)	<u>2,22,90,957</u>	<u>2,229.10</u>	<u>2,22,90,957</u>	<u>2,229.10</u>

**Note:**

- a) Out of total shares held by promoters and promoter group (i.e. 1,34,09,791), 1,09,31,202 equity shares (face value of Rs. 10 each) are pledged in favour of Banks / financial institution.

## 17.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended 31st March 2023, the amount of dividend recognized as distribution to equity shareholder was ₹ Nil (Previous year ₹ Nil)

## 17.3 Detail of Shareholders holding more than 5% shares in the company:

Name of equity shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	%	No. of Shares	%
Panchsheel Textile Mfg. & Trdg. Co. (P) Ltd.	44,26,917	19.86	44,26,917	19.86
Alma Assets Consultancy (P) Ltd.	43,62,325	19.57	43,62,325	19.57
Altfort Merchants (P) Ltd.	21,82,000	9.79	21,82,000	9.79

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

## 17.4 Aggregate number of shares issued for consideration other than cash, bonus share issued and shares bought back during the period of five years immediately preceding the reporting date : Nil (Previous year Nil)



17.5 Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter Name*	As at 31 March 2023		As at 31 March 2022		Change in %
	No. of Shares**	% of total shares	No. of Shares	% of total shares	
1 Ashok Kumar Oswal	1,27,748	0.57	1,27,748	0.57	0.00
2 Adish Oswal	4,20,511	1.89	4,20,511	1.89	0.00
3 Aketa Oswal	5,460	0.02	5,460	0.02	0.00
4 Rakhi Oswal	17,820	0.08	17,820	0.08	0.00
5 Abhinav Oswal	14,307	0.06	14,307	0.06	0.00
6 Ashok Kumar (Huf)	110	0.00	110	0.00	0.00
7 Manju Oswal	52,694	0.24	52,694	0.24	0.00
8 Kent Investments Pvt Ltd	46,950	0.21	46,950	0.21	0.00
9 Enakshi Investments Pvt Ltd	3,70,250	1.66	3,70,250	1.66	0.00
10 Panchsheel Textile Manufacturing And Trdg Co.(P) Ltd	44,26,917	19.86	44,26,917	19.86	0.00
11 Ruby Mercantile Company Pvt Ltd	1,53,000	0.69	1,53,000	0.69	0.00
12 Calgary Investment And Trading Company Pvt Ltd	67,300	0.30	67,300	0.30	0.00
13 Nightnagle Dealcom Private Limited	6,60,000	2.96	6,60,000	2.96	0.00
14 Gagan Mercantile Company Pvt Ltd	1,63,900	0.74	1,63,900	0.74	0.00
15 Pioneer Mercantile India Pvt Ltd	49,350	0.22	49,350	0.22	0.00
16 Altfort Merchants Private Limited	21,82,000	9.79	21,82,000	9.79	0.00
17 Liberty Mercantile Company Pvt Ltd	1,20,550	0.54	1,20,550	0.54	0.00
18 Boras Investment And Trading Company Pvt Ltd	32,860	0.15	32,860	0.15	0.00
19 Allepy Investment And Trading Company Pvt Ltd	95,500	0.43	95,500	0.43	0.00
20 Adesh Investment And Trading Company Pvt Ltd	35,100	0.16	35,100	0.16	0.00
21 Alma Assets Consultancy Private Limited	43,62,325	19.57	43,62,325	19.57	0.00
22 Amrante Trust Through Rakhi Oswal, Trustee	5,139	0.02	5,139	0.02	0.00
<b>Total</b>	<b>1,34,09,791.00</b>	<b>60.16</b>	<b>1,34,09,791.00</b>	<b>60.16</b>	<b>0.00</b>

\* Promoter here means promoters as defined as per the Companies Act, 2013

\*\* Details shall be given separately for each class of shares.

\*\*\* Percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the 1st time then with respect to the date of issue. (notes for calculation of %)

18. Other Equity

(₹ in lakh)

Particulars	Reserves and Surplus			Items of other comprehensive income	Total
	General reserve*	Security premium**	Retained earnings***	Actuarial Gain / (Loss)	
<b>Balance at April 1, 2021</b>	9,865.25	7,731.06	(54,500.76)	(139.52)	(37,043.98)
Changes in Equity share capital due to prior period errors	-	-	-	-	-
Restated balance as at April 1, 2021	-	-	-	-	-
Profit for the year	-	-	(1,555.55)	-	(1,555.55)
Other comprehensive income for the year, net of income tax	-	-	-	(15.11)	(15.11)
Changes in provision for tax written off	-	-	29.54	-	29.54
Total comprehensive income for the year	-	-	(1,526.01)	(15.11)	(1,541.12)
<b>Balance at March 31, 2022</b>	9,865.25	7,731.06	(56,026.77)	(154.63)	(38,585.10)
<b>Balance at April 1, 2022</b>	9,865.25	7,731.06	(56,026.77)	(154.63)	(38,585.10)
Changes in Equity share capital due to prior period errors	-	-	-	-	-
Restated balance as at April 1, 2022	-	-	-	-	-
Profit for the year	-	-	149.14	-	149.14
Other comprehensive income for the year, net of income tax	-	-	-	(23.81)	(23.81)
Changes in provision for tax written off	-	-	-	-	-
Total comprehensive income for the year	-	-	149.14	(23.81)	125.33
<b>Balance at March 31, 2023</b>	9,865.25	7,731.06	(55,877.63)	(178.44)	(38,459.77)

\* The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another.

\*\* Security Premium reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

\*\*\* Retained earnings refer to net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.

19 Long term borrowings (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured loans		
Term loans		
Rupee loan from Financial Institution (Refer note a & b below)	42.80	141.88
<b>Total</b>	<b>42.80</b>	<b>141.88</b>
Less : Amount disclosed under other current liability (refer note no. 22)	(42.80)	(98.59)
<b>Grand total</b>	<b>-</b>	<b>43.29</b>

Terms & Conditions of Secured Loan Taken from bank and status of default at the year end as on 31.03.2023

Types of Loan	Term Loan from others	
	TL-I	TL-II
Sanctioned Amount	500	500
Balance As on 31.03.2023	42.80	-
Rate of Interest	13.45%	15.20%
Repayment Type	Quarterly	Quarterly
Repayment Schedule		
31.03.2024	42.80	-
Default in payments	-	-
	-	-

Details of security :-

- Term loan from Financial Institution (Religare) is guaranteed by promoter company M/s Panchsheel Textile Mfg & Trading Co. Pvt Ltd. along with charge on specific assets.
- All the Long Term Borrowings have been classified as Short Term as the accounts of the company had been classified as NPA. State Bank of India, United Bank of India, Canara Bank, Bank of Baroda, Bank of Maharashtra, Union Bank of India (formerly known as Andhra Bank and Corporation Bank) and Axis Bank have assigned their respective debt to Phoenix ARC Private Limited through Assignment Agreements. The company is yet to sign a formal agreement with Phoenix ARC regarding the repayment terms and repayment period etc. In the absence of such an agreement with Phoenix ARC Private Limited and exact outstanding balance, the company has not reinstated the Short Term Borrowings to Long Term Borrowings. This will be done once the agreement is signed. The company is under the process of signing the agreement.

20 Provisions (Non Current) (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Employee related-Leave encashment	33.66	35.26
Employee related-Gratuity	230.90	209.21
<b>Total</b>	<b>264.56</b>	<b>244.47</b>

21 Other Non-Current Liabilities (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposit received	0.53	0.53
<b>Total</b>	<b>0.53</b>	<b>0.53</b>



22 Short term borrowings		(₹ in Lakh)	
Particulars	As at 31 March 2023	As at 31 March 2022	
<b>Secured Borrowings</b>			
Loans repayable on demand*	44,388.49	52,195.12	
<b>Unsecured Borrowings</b>			
from body corporate & directors	95.62	194.19	
Foreign Currency Convertible Bonds	221.53	365.04	
Current maturities of long-term borrowings (Refer Note No.19)	42.80	98.59	
<b>Total</b>	<b><u>44,748.44</u></b>	<b><u>52,852.94</u></b>	

During the period ended 31st March,2017, the company credited profit of Rs 396.44 lakh due on payment of FCCB liability (total liability as on 31st March 2017 being Rs 868.64 Lakh) The Company has settled the matter with Axis bank where in a payment plan has been agreed (Final payment date being 30th September 2024) and the company is making payment as per the plan. Out of the above mentioned FCCB liability, Rs 221.53 lakh is still outstanding as on 31st March 2023.

**\*Detail of Bank wise outstanding amount as assigned to Phoenix ARC Private Limited :-** (₹ in Lakh)

Name of Bank	Date of Assignment to ARC	Total Outstanding as at 31.03.2023
Bank of Baroda	28.12.2021	6,599.41
Bank of Maharashtra	29.12.2021	2,844.32
Canara Bank	27.09.2021	11,860.84
Axis Bank	15.11.2022	532.44
State Bank of India	27.03.2020	8,268.15
Union Bank of India (Formerly Andhra Bank & Corporation Bank)	30.03.2022	7,054.80
United Bank of India	28.03.2018	7,228.53
<b>Total</b>		<b>44,388.49</b>

The accounts of the company were classified as NPA by the Banks. The company had made efforts to resolve its debts with Banks. State Bank of India, United Bank of India, Canara Bank, Bank of Baroda, Bank of Maharashtra, Union Bank of India (formerly known as Andhra Bank and Corporation Bank) and Axis Bank have assigned our debt to Phoenix ARC Private Limited through Assignment Agreements. Some of the lenders had issued notices U/S 13(2)& 13(4) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI)Act, 2002 which were duly replied and proceedings are pending before Debt Recovery Tribunal (DRT), Chandigarh. Further, the company had settled its debts under OTS with Bank of India, Indian Bank (Allahabad bank), Punjab National Bank, J & K Bank and Punjab & Sind Bank. The company has made entire payment in terms of OTS and received NOC's from them during the year. The company is in the process of signing an agreement with Phoenix ARC Private Limited specifying the repayment schedule and exact outstanding balances of the above mentioned banks. In the absence of an agreement, the company has been booking interest based on the last recorded sanction letter issued by the respective banks in 2013 during the CDR process.

**Details of security :**

- a) Borrowings as stated as above are secured by way of equitable mortgage of all the immovable properties (present and future) of the Company and hypothecation of all movable assets of the company (except book debts).
- b) All the borrowings are guaranteed by promoter directors.
- c) Further, Borrowings are also secured by hypothecation of all stocks (except the stock of raw material already pledge with third party), present and future of stores, spare parts, packing materials, raw materials, finished goods, goods in transit/process, book debts, outstanding money receivable, claims, bills etc. and second charge by way of equitable mortgage of immovable properties of Company.
- d) However, consequent upon assignment of bank's debt to the Phoenix ARC Private Limited (Phoenix), the above stated charges registered with ROC/MCA have been modified in the name of Phoenix. Further, charges registered with ROC/MCA pertaining to banks with whom OTS done, have been settled.

**23 Trade payables** (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Total Outstanding dues of Micro ,Small and Medium Enterprises	-	-
Total Outstanding dues of Creditors other than Micro ,Small and Medium Enterprises	14,343.79	10,079.92
<b>Total</b>	<b><u>14,343.79</u></b>	<b><u>10,079.92</u></b>

The information as required to be disclosed under The Micro, Small and Medium Enterprises (Development) Act, 2006 ("the Act") has been received from some vendors but there is no outstanding towards them as on 31.03.2023. As such, the disclosure requirement for balance outstanding, interest paid/payable as at the year end as required by the Act has not been made.

**(a) Trade paybles ageing as at 31.03.2023**

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 year	2-3 year	More Than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	6694.13	1819.54	1557.25	4162.21	14,233.13
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
	<b>6,694.13</b>	<b>1,819.54</b>	<b>1,557.25</b>	<b>4,162.21</b>	<b>14,233.13</b>
<b>Not due balance as at 31.03.2023</b>					<b>110.66</b>
<b>Total Trade payables</b>					<b>14,343.79</b>

**(b) Trade paybles ageing as at 31.03.2022**

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 year	2-3 year	More Than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	5,701.73	2,700.49	418.97	1,148.32	9,969.51
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
	<b>5,701.73</b>	<b>2,700.49</b>	<b>418.97</b>	<b>1,148.32</b>	<b>9,969.51</b>
<b>Not due balance as at 31.03.2022</b>					<b>110.41</b>
<b>Total Trade payables</b>					<b>10,079.92</b>

**24 Other Financial liabilities-Current** (₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Interest Payable	379.06	665.48
Trade deposits & advances	42.24	91.23
<b>Other payables</b>		
Capital Payables	-	-
Employees related	646.44	715.41
Trade expenses payable	1,853.66	1,879.65
Enhanced Land Compensation (VTM Land)	348.24	348.24
Others	807.46	698.85
<b>Total</b>	<b><u>4,077.10</u></b>	<b><u>4,398.86</u></b>

25 Other current liabilities		(₹ in Lakh)	
Particulars	As at 31 March 2023	As at 31 March 2022	
Advances/deposits from customers	618.14	24.62	
Statutory dues*	271.51	260.49	
Security deposit received	25.58	26.58	
<b>Total</b>	<b>915.23</b>	<b>311.69</b>	

\*It includes contribution to ESIC, EPF, TDS, TCS

26 Provision(Current)		(₹ in Lakh)	
Particulars	As at 31 March 2023	As at 31 March 2022	
Employees Benefit-Leave Encashment	26.29	32.32	
Provision Against forfeiture of MIDC Land	136.00	136.00	
Employees Benefit-Gratuity	158.25	164.69	
Others	701.79	701.79	
<b>Total</b>	<b>1,022.33</b>	<b>1,034.80</b>	

27 Revenue from operations		(₹ in Lakh)	
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	
<b>i) Sale of products</b>			
-Grey yarn	43,781.28	75,474.90	
-Dyed yarn	7,711.04	9,470.68	
-Garments	121.09	103.75	
-Waste sale	5,532.83	7,535.37	
-Trading goods (textile )	4,594.52	65.87	
<b>ii) Job charges income</b>	129.14	306.23	
<b>Total</b>	<b>61,869.90</b>	<b>92,956.80</b>	
<b>Rebate &amp; Discount</b>	(318.86)	(97.29)	
<b>Net sales</b>	<b>61,551.04</b>	<b>92,859.51</b>	
<b>Other Operating Income</b>	-	-	
<b>TOTAL</b>	<b>61,551.04</b>	<b>92,859.51</b>	

Note: The company has entered into arrangement with few vendors, from whom company is purchasing raw materials and in turn,processing the same and selling the finished output back to them.

28 Other income		(₹ in Lakh)	
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	
Interest income on Bank deposits & others	35.77	30.02	
Profit on sale of fixed assets	-	31.08	
Rent received	154.44	156.26	
Miscellaneous Income	426.15	90.61	
<b>Total</b>	<b>616.36</b>	<b>307.97</b>	
Less: Interest on Margin Money reduced from finance cost (Refer Note no.33)	0.54	0.41	
<b>Total</b>	<b>615.82</b>	<b>307.56</b>	

29 Cost of material consumed			(₹ in Lakh)
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	
<b>Raw material consumption</b>			
Cotton	38,418.93	61,138.41	
Cotton yarn	3,473.91	3,388.56	
Synthetic fibre	4,260.21	5,452.99	
Dyes & chemicals	672.79	876.86	
<b>Total</b>	<b>46,825.84</b>	<b>70,856.82</b>	

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excess and shortages ascertained on physical count, unserviceable items, etc.

#### Value of indigenous & imported raw material consumption

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	₹ in Lakh	%	₹ in. Lakh	%
Indigenous	46,825.84	100.00	70,856.82	100.00
Imported	-	-	-	-
<b>Total</b>	<b>46,825.84</b>	<b>100.00</b>	<b>70,856.82</b>	<b>100.00</b>

30 Purchase of Stock In Trade			(₹ in Lakh)
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	
Cotton	4,088.19	-	
Fabrics	-	2.06	
<b>Total</b>	<b>4,088.19</b>	<b>2.06</b>	

31 Changes in inventories of finished goods, work in progress and stock in trade			(₹ in Lakh)
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	
<b>Closing inventories</b>			
Finished goods (Including waste)	370.63	2,418.71	
Work in progress	843.34	921.41	
	<b>1,213.97</b>	<b>3,340.12</b>	
<b>Opening inventories</b>			
Finished goods (Including waste)	2,418.71	346.21	
Work in progress	921.41	712.14	
	<b>3,340.12</b>	<b>1,058.35</b>	
<b>(Increase) / Decrease</b>	<b>2,126.15</b>	<b>(2,281.77)</b>	

<b>32 Employee benefit expenses</b>		<b>(₹ in Lakh)</b>	
<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>	
Salaries, Wages & Other Benefits	3,982.65	5,003.85	
Contribution to Provident & Other Funds	332.95	368.54	
Staff Welfare Expenses	202.77	346.28	
<b>Total</b>	<b><u>4,518.37</u></b>	<b><u>5,718.67</u></b>	
<b>33 Finance costs</b>		<b>(₹ in Lakh)</b>	
<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>	
<b>Interest expense</b>			
- Borrowings (Refer Note no. 22)	4,861.87	6,198.26	
- Other	258.76	218.33	
<b>Other borrowing costs</b>	220.00	-	
	<b><u>5,340.63</u></b>	<b><u>6,416.59</u></b>	
<b>Less: Interest on Margin Money(Refer Note no. 28)</b>	0.54	0.41	
<b>Total</b>	<b><u>5,340.09</u></b>	<b><u>6,416.18</u></b>	
<b>34 Other expenses</b>		<b>(₹ in Lakh)</b>	
<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>	
Packing Material Consumed	775.19	1,201.57	
Power & Fuel including Oil & Lubricants	4,496.42	7,121.62	
Processing Charges	20.07	31.20	
<b>Repairs and maintenance :</b>			
Plant & machinery	684.08	1,914.36	
Building	68.81	82.20	
General	156.40	232.52	
Electric	14.38	15.12	
Rent	39.79	34.91	
Rates and taxes	62.05	79.49	
Insurance	89.09	86.31	
Travelling & Boarding Expenses	165.26	127.77	
Legal & professional	249.37	191.44	
Exchange rate fluctuation (net)	43.49	12.93	
Provision for doubtful debts	-	768.93	
Commission on sale	6.09	(62.11)	
Delivery Expenses (Including Freight, Octroi & Others)	296.90	414.21	
Rebate & discounts	52.05	102.00	
Investment Written off	-	22.54	
Bank charges	0.63	2.52	
Loss on Sale of Fixed Assets	8.39	-	
Loss on Sale of Raw Material	-	(2.74)	
Miscellaneous expenses	390.86	268.90	
<b>Total</b>	<b><u>7,619.32</u></b>	<b><u>12,645.69</u></b>	

Note:(i) Miscellaneous expenses Include payment to statutory auditor the details of which are as follows: (₹ in Lakh)

Particulars	For the year ended	
	31 March 2023	31 March 2022
As auditor:		
- Statutory audit	10.50	9.00
- Tax audit	1.50	1.50
Reimbursement of expenses	0.15	0.19
<b>Total</b>	<b>12.15</b>	<b>10.69</b>

(ii) Value of Indigenous & Imported Stores & Spares Consumption\*

Particulars	For the year ended		For the year ended	
	31 March 2023		31 March 2022	
	₹ in Lakh	%	₹ in. Lakh	%
Indigenous	827.30	100.00	2094.02	100.00
Imported	-	0.00	0.00	0.00
<b>Total</b>	<b>827.30</b>	<b>100.00</b>	<b>2094.02</b>	<b>100.00</b>

\* The break up of stores & spares have been disclosed in note 34 of the financial statements as per details given below:

Particulars	For the year ended		For the year ended	
	31 March 2023		31 March 2022	
Repairs and maintenance :- General	145.13		214.06	
Repairs and maintenance : Plant & Machinery	667.79		1,864.84	
Repairs and maintenance : Electrical	14.38		15.12	
<b>Total</b>	<b>827.30</b>		<b>2,094.02</b>	

35 Exceptional Items

Particulars	For the year ended	
	31 March 2023	31 March 2022
Amount Written Back in respect of OTS with Banks	9719.63	0.00
<b>Total</b>	<b>9719.63</b>	<b>0.00</b>

During the current year, the company has completed OTS with Bank of India, Indian Bank (For Allahabad Bank), Punjab National Bank, J & K Bank and Punjab & Sind Bank. The company has made entire payment in terms of OTS sanction letters to the respective lenders and received NOC's from them. Exceptional items during the year relate to written back amount of above banks consequent to payment of One Time Settlement amount.



**36. Financial Instrument by category**

(a) The carrying value and fair value of the financial instruments at the end of each reporting period is as follows:

**As at March 31, 2023**
**(₹ in Lakh)**

Particulars	Notes No.	As at March 31, 2023	At cost	At Amortised Cost	At fair value through P&L		At fair value through OCI		Total Carrying value	Total Fair Value
					Designation upon initial recognition	Mandatory	Designation upon initial recognition	Mandatory		
<b>Assets:</b>										
i) Investments (Non Current)	3	0.62	-	-	0.62	-	-	-	0.62	0.62
ii) Trade receivable (Non Current)	6	532.32	-	532.32	-	-	-	-	532.32	532.32
iii) Trade and other receivables (Current)	10	18.57	-	18.57	-	-	-	-	18.57	18.57
iv) Cash and cash equivalents	11	30.41	-	30.41	-	-	-	-	30.41	30.41
v) Bank balances other than above	12	13.20	-	13.20	-	-	-	-	13.20	13.20
vi) Loans (Current)	13	11.73	-	11.73	-	-	-	-	11.73	11.73
vii) Other financial assets (Current)	14	36.52	-	36.52	-	-	-	-	36.52	36.52
<b>Total</b>		<b>643.37</b>	<b>-</b>	<b>642.75</b>	<b>0.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>643.37</b>	<b>643.37</b>
<b>Liabilities:</b>										
i) Borrowings (Non Current)	19	-	-	-	-	-	-	-	-	-
ii) Borrowings (Current)	22	44,748.44	-	44,748.44	-	-	-	-	44,748.44	44,748.44
iii) Trade payables (Current)	23	14,343.79	-	14,343.79	-	-	-	-	14,343.79	14,343.79
iv) Other financial liabilities (Current)	24	4,077.10	-	4,077.10	-	-	-	-	4,077.10	4,077.10
<b>Total</b>		<b>63,169.33</b>	<b>-</b>	<b>63,169.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,169.33</b>	<b>63,169.33</b>

**As at March 31, 2022**
**(₹ in Lakh)**

Particulars	Notes No.	As at March 31, 2022	At cost	At Amortised Cost	At fair value through P&L		At fair value through OCI		Total Carrying value	Total Fair Value
					Designation upon initial recognition	Mandatory	Designation upon initial recognition	Mandatory		
<b>Assets:</b>										
i) Investments (Non Current)	3	0.62	-	-	0.62	-	-	-	0.62	0.62
ii) Trade receivable (Non Current)	6	302.47	-	302.47	-	-	-	-	302.47	302.47
iii) Trade and other receivables (Current)	10	1,079.74	-	1,079.74	-	-	-	-	1,079.74	1,079.74
iv) Cash and cash equivalents	11	6.41	-	6.41	-	-	-	-	6.41	6.41
v) Bank balances other than above	12	8.20	-	8.20	-	-	-	-	8.20	8.20
vi) Loans (Current)	13	15.06	-	15.06	-	-	-	-	15.06	15.06
vii) Other financial assets (Current)	14	32.82	-	32.82	-	-	-	-	32.82	32.82
<b>Total</b>		<b>1,445.32</b>	<b>-</b>	<b>1,444.70</b>	<b>0.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,445.32</b>	<b>1,445.32</b>
<b>Liabilities:</b>										
i) Borrowings (Non current)	19	43.29	-	43.29	-	-	-	-	43.29	43.29
ii) Borrowings (Current)	22	52,852.94	-	52,852.94	-	-	-	-	52,852.94	52,852.94
iii) Trade payables ((Current)	23	10,079.92	-	10,079.92	-	-	-	-	10,079.92	10,079.92
iv) Other financial liabilities (Current)	24	4,398.86	-	4,398.86	-	-	-	-	4,398.86	4,398.86
<b>Total</b>		<b>67,375.02</b>	<b>-</b>	<b>67,375.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,375.02</b>	<b>67,375.02</b>

**(b) Fair Value Measurement**
**(i) Fair Value hierarchy**

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value: As at 31st March 2023

Particulars	Fair Value measurement using			
	Fair Value	Level 1	Level 2	Level 3
Long Term Investments Fair Value through Profit and Loss (designated upon initial recognition)				0.62
Current Investments Fair Value through Profit and Loss				-

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value: As at 31st March 2022

Particulars	Fair Value measurement using			
	Fair Value	Level 1	Level 2	Level 3
Long Term Investments Fair Value through Profit and Loss (designated upon initial recognition)				0.62
Current Investments Fair Value through Profit and Loss				-

37 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(a) Principal amount due to micro and small enterprise		
(b) Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

38 Earnings per share

(₹ in Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
<b>The basic and diluted earning per share is as under:</b>		
Net Profit/(loss) after tax (₹ lakh)	149.14	(1,555.55)
Net Profit/(loss) after tax but before Exceptional Items (₹ lakh)**	(9,570.49)	(1,555.55)
Weighted average no. of equity shares outstanding (*)	2,22,90,957	2,22,90,957
Nominal value of per equity shares (in ₹)	10.00	10.00
<b>Earnings per share (of ₹ 10 each) After Exceptional Items</b>		
Basic earnings per share (₹)	0.67	(6.98)
Diluted earnings per share (₹)	0.67	(6.98)
<b>Earnings per share (of ₹ 10 each) before Exceptional Items</b>		
Basic earnings per share (₹)	(42.93)	(6.98)
Diluted earnings per share (₹)	(42.93)	(6.98)

\*There are no dilutive potential equity share.

**39 Contingent liabilities not provided for in respect of: (₹ in Lakh)**

Particulars	As at 31 March 2023	As at 31 March 2022
a) Claims against the Company not acknowledged as debts (net of amount deposited ₹ 68.15 lakh Previous year- ₹ 63.13 lakh)	262.56	262.43
b) Letter of credit & bank guarantee issued	5.00	5.00
c) Income Tax demands under appeal (net of amount deposited ₹ 220 lakh, Previous year- ₹ 220 lakh)	4426.03	805.92
d) Service Tax demands under appeal (net of amount deposited ₹ 1.41 lakh, Previous year- ₹ 1.41 lakh)	12.70	12.70

**40 Litigation status of the company as on 31st March 2023 are as follows:**

a) The following is a summarized status of pending litigation involving Vardhman Polytex Limited against the Company:

(₹ in Lakh)

Nature of Dispute	Name of Statute	Amount Involved	Provision Made	Disclosed as Contingent Liability	Amount Deposited Under Protest
i) Indirect Taxation	Central Excise Act 2002	484.13 (417.21)	241.60 (241.60)	242.53 (175.60)	55.10 (50.08)
	Service Tax Act	15.38 (15.38)	1.27 (1.27)	14.11 (14.11)	1.41 (1.41)
	Punjab Vat Act	219.04 (219.04)	174.21 (174.21)	44.83 (44.83)	13.05 (13.05)
	ii) Direct Taxation	Income Tax Act	5,457.53 (1,834.95)	-	4,643.56 (1,023.45)
	Wealth Tax Act	2.47 (2.47)	-	2.47 (2.47)	-
iii) Labour laws	ESI Act	2.20 (2.20)	-	-	2.20 (2.20)
	Industrial Dispute Act 1947 & Gratuity Act 1972	16.41 (17.58)	-	16.41 (17.58)	-
	iv) Commercial matters	Code of Civil Procedure Act 1908	26.95 (87.56)	-	26.95 (87.56)
Total		6,224.11 (2,596.39)	417.08 (417.08)	4,990.85 (1,365.59)	291.76 (286.74)

Figures in brackets in aforesaid note represent previous year figures

b) The following is a summarized status of pending litigation involving Vardhman Polytex Limited by the Company:

(₹ in Lakh)

Nature of Dispute	Amount Involved	Provision Made	Amount Deceeed in favour of the Company (under execution)	Balance Amount Still contested by the Company
Commercial matters - Legal cases customers	1,412.52 (1,456.38)	880.20 (1,153.91)	-	532.32 (302.47)

Figures in brackets in aforesaid note represent previous year figures

41 Obligations and commitments outstanding:		(₹ in Lakh)	
Particulars	As at 31 March 2023	As at 31 March 2022	
a) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	
b) Estimated value of contracts remaining to be executed on other than capital account and not provided for (net of advances)-Pending cotton purchase commitment	7,095.95	7,142.89	
c) Estimated value of contracts remaining to be executed on other than capital account and not provided for (net of advances)-Pending Service commitment	-	-	

#### 42 Derivative hedged instruments and un-hedged foreign currency exposure

##### a) Particulars of foreign currency exposure un-hedged at the balance sheet date

Currency	As at 31 March 2023		As at 31 March 2022	
	In million	₹ in Lakh	In million	₹ in Lakh
Trade Payables*	-	89.90	-	89.90
Loan (including interest)**	0.32	221.53	0.55	365.04
<b>Total</b>	<b>0.32</b>	<b>311.43</b>	<b>0.55</b>	<b>454.94</b>

\* Trade Payables contains multiple outstanding balances in different foreign currency, So we have reported the Indian Currency(INR) amount.

\*\* This is Actual loan amount and doesnot include reinstatement effect. The Foreign currency fluctuations impact on this amount has been considered separately and duly account for in the books of accounts.

43 Inventories, loans & advances, trade receivables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.

#### 44 Employee benefit obligation

##### Defined Contribution Plan

Contribution to Defined Contribution Plan recognized as expenses for the year are as under:- (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
i) Employer's contribution to Provident Fund	187.68	192.25
ii) Employer's contribution to Pension Scheme	74.56	86.60

##### Defined Benefit Plan

The Employees' Gratuity Fund scheme managed by a trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligations.

##### Reconciliation of opening and closing balances of Defined Benefit Obligation (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Defined benefit obligation at the beginning of the year</b>	373.89	337.91
Current service cost	48.67	48.50
Interest cost	18.69	16.90
Actuarial gain / (loss)	6.01	(0.03)
<b>Benefit paid*</b>	(58.12)	(29.39)
Past Service Cost	-	-
<b>Defined obligation at year end</b>	<b>389.15</b>	<b>373.89</b>

**Reconciliation of opening and closing balances of fair value of plan assets** (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Fair value of plan assets at the beginning of the Year</b>	464.36	449.83
Expected return on plan assets	27.86	22.49
Actuarial gain / (loss)	(3.35)	1.46
Adjustment of earlier years	-	-
Benefit paid	(18.55)	(9.43)
<b>Fair value of plan assets at year end</b>	<b>470.31</b>	<b>464.36</b>

**Reconciliation of fair value of assets & obligation** (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fair value of plan assets at the end	470.31	464.36
Present value of obligation	389.15	373.89
Net asset/(liability) recognized in the balance sheet	81.16	90.46

**(a) Amount recognized in the statement of profit & loss** (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	48.67	48.50
Interest cost	18.69	16.90
Expected return on plan assets	(27.86)	(22.49)
Amount recognized in the statement of profit & loss	-	-
	<b>39.51</b>	<b>42.91</b>

**(b) Other comprehensive(income)/expense(Remeasurement)** (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss -obligation	6.01	(0.03)
Actuarial (gain)/loss -plan assets	3.35	(1.46)
Amount recognized in the statement of profit & loss	<b>9.36</b>	<b>(1.49)</b>

**The principal assumptions used in determining gratuity for the Company's plans are shown below :** (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate	6.00%	5.00%
Attrition rate	43.00%	48.00%
Expected rate of return on assets	7.00%	7.00%
Mortality rate	IALM 2012-14	IALM 2012-14
Salary rise	7.00%	7.00%

**Amount for the current year and previous year in respect of gratuity are as follows:-** (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Defined benefit obligation	389.15	373.89
Plan assets	470.31	464.36
Surplus/(deficit)	81.16	90.46
Experience adjustment on plan assets	(3.35)	1.46
Experience adjustment on plan liabilities	(52.11)	(29.42)

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As on: 28-02-2023
Defined Benefit Obligation (Base)	3,89,14,496@ Salary Increase Rate : 7%, and discount rate :6%
Liability with x% increase in Discount Rate	3,81,45,277; x = 1.00% [Change (2)% ]
Liability with x% decrease in Discount Rate	3,97,16,307; x = 1.00% [Change 2% ]
Liability with x% increase in Salary Growth Rate	3,96,07,255; x = 1.00% [Change 2% ]
Liability with x% decrease in Salary Growth Rate	3,82,54,866; x = 1.00% [Change (2)% ]
Liability with x% increase in Withdrawal Rate	3,87,76,277; x = 1.00% [Change 0% ]
Liability with x% decrease in Withdrawal Rate	3,90,55,960; x = 1.00% [Change 0% ]

#### Leave Encashment(unfunded)

#### Reconciliation of opening and closing balances of defined benefit obligation (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Defined benefit obligation at the beginning of the year	67.59	52.63
Current service cost	17.78	25.57
Interest cost	3.38	2.63
Actuarial (gain) /loss	14.45	16.60
Benefit paid	(43.24)	(29.84)
Defined obligation at year end	<b>59.96</b>	<b>67.59</b>

#### Reconciliation of fair value of assets & obligations

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fair value of plan assets at the end	-	-
Present value of obligation	59.96	67.59
Amount recognized in balance sheet	59.96	67.59

#### (a) Amount recognized in the statement of profit & loss

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	17.78	25.57
Interest cost	3.38	2.63
Expected return on plan assets	-	-
Amount recognized in the statement of profit & loss	<b>21.16</b>	<b>28.20</b>

#### (b) Other comprehensive(income)/expense(Remeasurement)

(₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/loss -obligation	14.45	16.60
Actuarial (gain)/loss -plan assets	-	-
Amount recognized in the statement of profit & loss	14.45	16.60



The principal assumptions used in determining leave encashment for the Company's plans are shown below : (₹ in Lakh)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate	6.00%	5.00%
Attrition rate	43.00%	48.00%
Expected rate of return on assets	NA	NA
Mortality rate	IALM 2012-14	IALM 2012-14
Salary rise	7.00%	7.00%

**Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:**

Period	As on: 28-02-2023
Defined Benefit Obligation (Base)	59,95,234
Liability with x% increase in Discount Rate	58,70,742; x = 1.00% [Change (2)% ]
Liability with x% decrease in Discount Rate	61,25,075; x = 1.00% [Change 2% ]
Liability with x% increase in Salary Growth Rate	61,22,641; x = 1.00% [Change 2% ]
Liability with x% decrease in Salary Growth Rate	58,70,742; x = 1.00% [Change (2)% ]
Liability with x% increase in Withdrawal Rate	59,92,492; x = 1.00% [Change 0% ]
Liability with x% decrease in Withdrawal Rate	59,98,028; x = 1.00% [Change 0% ]

#### 45 Related party disclosures:-

##### i) List of related parties and relationships

	2022-23	2021-22
a) Subsidiary Company	Nil	F M Hammerle Verwaltung Gmbh, Austria (was subsidiary during part of the year upto 30.09.2021. Then the F.M.H was liquidated. So Annual results for the year ended 31.03.2022 have been consolidated which includes the Financial results of subsidiary upto 30.09.2021).
b) Key management personnel	Mr. Adish Oswal, Chairman Cum Managing Director Mr R.M.Soni , Chief Financial Officer Mr. Ajay Ratra , Company Secretary	Mr. Adish Oswal, Chairman Cum Managing Director Mr R.M.Soni , Chief Financial Officer Mr. Ajay Ratra , Company Secretary
c) Directors / Independent Directors	Mrs. Manju Oswal, Non Executive Director Mr. Suresh Kumar Banka, Non Executive Director Mr. Sandeep Mehta, Independent Director Mr. Sanjeev Joshi, Independent Director (w.e.f 12.08.2022) Mr. Sagar Bhatia, Independent Director (w.e.f 12.08.2022) Mr. Hardeep Singh, Independent Director (upto 12.08.2022) Mr. Varun Kumar Chaudhary, Independent Director (upto 12.08.2022)	Mrs. Manju Oswal, Non Executive Director Mr. Suresh Kumar Banka, Non Executive Director Mr. Sandeep Mehta, Independent Director (w.e.f 24.12.2021) Mr. Harpal Singh, Independent Director (upto 21.12.2021) Mr. Hardeep Singh, Independent Director Mr. Varun Kumar Chaudhary, Independent Director
d) Relative of KMP	Mr. Abhinav Oswal Ms. Aketa Oswal Mrs. Rakhi Oswal Mrs. Priya Oswal	Mr. Abhinav Oswal Ms. Aketa Oswal Mrs. Rakhi Oswal Mrs. Priya Oswal

	2022-23	2021-22
e) Enterprise over which KMP is able to exercise significant influence	Oswal Industrial Enterprise Private Limited Panchsheel Textile Mfg & Trading Co.Pvt Ltd Enakshi Investments Private Limited. Liberty Mercantile Co.(P)Ltd. Allepy Investment & Trading Co. (P) Ltd. Kent Investments Private Limited. Ruby Mercantile Co. Private Limited. Boras Investment & Trading Co. (P) Limited. Gagan Mercantile Co. Private Limited. Pioneer Mercantile India Private Limited. Adesh Investment & Trading Co. (P) Limited. Calgary Investment & Trading Co. (P) Ltd. Oswal Infratech Pvt. Ltd. Oswal Tradecom Pvt. Ltd. Oswal Holding Pvt. Ltd. Nightangle Dealcom Pvt. Ltd. Alma Assets Consultancy (P) Ltd Altfort Merchants (P) Ltd Vardhman Amarante Private Limited We safe India Lifestyle Private Limited Oswal Technical Textile Private Limited Super Lakshmi Enterprises LLP	Oswal Industrial Enterprise Private Limited Panchsheel Textile Mfg & Trading Co.Pvt Ltd Enakshi Investments Private Limited. Liberty Mercantile Co.(P)Ltd. Allepy Investment & Trading Co. (P) Ltd. Kent Investments Private Limited. Ruby Mercantile Co. Private Limited. Boras Investment & Trading Co. (P) Limited. Gagan Mercantile Co. Private Limited. Pioneer Mercantile India Private Limited. Adesh Investment & Trading Co. (P) Limited. Calgary Investment & Trading Co. (P) Ltd. Oswal Infratech Pvt. Ltd. Oswal Tradecom Pvt. Ltd. Oswal Holding Pvt. Ltd. Nightangle Dealcom Pvt. Ltd. Alma Assets Consultancy (P) Ltd Altfort Merchants (P) Ltd Vardhman Amarante Private Limited We safe India Lifestyle Private Limited Oswal Technical Textile Private Limited Super Lakshmi Enterprises LLP

ii) Transaction with related parties during the year:-

(₹ in Lakh)

	Subsidiaries		KMP		Relatives of KMP		Enterprise over which KMP is able to exercise Significant Influence		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Loan received	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	92.19	-	-	-	6.38	-	98.57	-
Sale of goods	-	-	-	-	-	-	1.28	-	1.28	-
Purchases	-	-	-	-	-	-	1.22	-	1.22	-
Net Advance(Received)/Paid	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	6.10	2.30	-	-	6.10	2.30
Director Sitting Fee	-	-	2.71	2.64	-	-	-	-	2.71	2.64
Job charges Paid	-	-	-	-	-	-	1.74	2.78	1.74	2.78
Rent received	-	-	-	-	-	-	3.17	3.88	3.17	3.88
Interest paid	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	169.01	155.66	-	-	-	-	169.01	155.66
Managerial remuneration	-	-	-	-	-	-	-	-	-	-
<b>OUTSTANDING BALANCES AT YEAR END</b>										
Investment in equity shares	-	-	-	-	-	-	0.09	0.09	0.09	0.09
Unsecured loan	-	-	-	92.19	-	-	80.62	87.00	80.62	179.19
Amount payable/(recoverable)	-	-	-	-	-	-	-	(45.47)	-	(45.47)

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

**46. Financial Risk Management**

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

**Market Risk**

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans & borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022.

**(i) Foreign Currency risk management**

The company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Variable rate instruments</b>		
Long term borrowings	-	43.29
Current maturities of long term debt	42.80	98.59
Short term borrowings	44,705.64	52,754.36

**Cash flow sensitivity analysis for variable rate instruments**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(₹ in Lakh)	
	As at 31 March 2023	As at 31 March 2022
Increase/ (decrease) in 100 basis point	447.48	528.96

**Liquidity Risk**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has outstanding borrowings from Phoenix ARC Private Limited. The Company is passing through a phase of liquidity stress and there is a mismatch in cash flows. Due to this, the capacities of the Company are running at sub-optimal level. The Company is working towards devising a plan which would correct the cash flow mismatch. The Company believes that the Company would be able to generate enough cash inflows to meet its working capital requirements in the medium and long run. The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Credit Risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On

account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company has exposure to credit risk from trade receivable balances on sale of Yarns & Readymade Garments. The Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The creditworthiness of customers to which the Company grants credit in the normal course of the business is monitored regularly.

**The Following is the detail of revenues generated from top five customer of the company and allowance for life time expected credit loss:**

Particulars	(₹ in Lakh)	
	As at 31 March 2023	As at 31 March 2022
<b>(a) Revenue from top five customers</b>		
- Amount of Sales	49,068.60	81,635.49
- % of total Sales	79.72%	87.91%
<b>(b) Allowance for doubtful debts</b>		
Balance at the beginning of the period	1,153.91	384.98
Recognized during the year	-	768.93
Amount Write Off	273.71	-
Balance At the end of the period	<b>880.20</b>	<b>1,153.91</b>

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 6 & 10.

#### **Write off policy**

The financials assets are written off in case there is no reasonable expectation of recovering from the financial.

#### **46A. Capital Management**

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. No Changes were made in the objectives, policies or processes during the years ended 31st March 2023 and 31st March 2022.

47 a) Expenditure in foreign currency on account of:		(₹ in Lakh)	
Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	
Commission, consultancy, travelling, interest and others	20.09	4.42	

- 48 Despite the fact that the net worth of the Company has been fully eroded, the Management is of the view that the company is an operative company and with all necessary steps and continuing professional management, is confident to turnaround the company and accordingly Deferred Tax assets will be recognised. In view of the same, the financial statements have been prepared on going concern basis.
- 49 During the period ended year 31st March, 2017, the Company had credited profit of Rs 396.44 lakh due on payment of FCCB liability (Total Liability as on 31/03 /2017 being Rs. 868.64 lacs). The Company has settled the matter with Axis bank where in a payment plan has been agreed (Final payment date being 30th September 2024) and the company is making payment as per the plan. Out of the above mentioned FCCB liability Rs. 221.53 lacs is still outstanding as on 31/03/2023.
- 50 The Company is paying rentals for office premises taken on rent which are not in the nature of lease agreements. Therefore, disclosure requirements of Accounting Standard IND AS-17 are not applicable.
- 51 The balances of Trade Receivables, Loan and Advances, Deposits and Trade Payables are subject to confirmation/reconciliation and subsequent adjustments, if any. During the year, letters have been sent to various parties with a request to confirm their balances as on 31st March, 2023. Except for the provision created against these receivables, they are realizable as per management of the company.
- 52 The business of company falls within a single primary segment viz, Textile and hence, the disclosure requirement of IND AS - 108 'Operating segment' is not applicable.

- 53 No significant adjusting event occurred between the balance sheet date and date of the approval of the financial statements by the Board of Directors requiring adjustment or disclosure.
- 54 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year classification.
- 55 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted In the period in which said Code becomes effective and the rules framed thereunder are published.
- 56 **Title deeds of Immovable Property not held in name of the Company.**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company**
PPE	Land & Building	1197472	Subhash Sharma	No	22.06.2011	State Government rules
PPE	Land & Building	346100	Subhash Sharma	No	01.02.2011	State Government rules
PPE	Land & Building	487808	Subhash Sharma	No	13.12.2010	State Government rules

\*\* In this respect, the Company has already paid full consideration as per agreement of Purchase of said property. However, approval of Himachal Pradesh Government for registration of Property in the name of Company is yet to be received.

- 57 The Company has not granted loans or Advances to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:(a) repayable on demand or (b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of Loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-
Directors	-	-
KMP'S	-	-
Related Parties	-	-

- 58 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- 59 The company is not availing any working capital limits from bank(s) and as such, no quarterly returns or statements are required to be submitted to the bank .
- 60 The company has not been declared wilful defaulter by any bank or financial Institution or other lenders during the year ended 31.03.2023
- 61 **Ratio Analysis**

Sr. no	Ratio Analysis	Numerator	Rs in lakhs	Denominator	Rs in lakhs	31st March 2023	31st March 2022
1	<b>Current Ratio</b>	<b>Current Assets</b>		<b>Current Liabilities</b>			
		Inventories	1,592.72	Creditors for goods and services	14,343.79		
		Sundry Debtors	18.57	Short term loans	44,748.44		
		Cash and Bank balances	43.61	Bank Overdraft	0.00		
		Receivables/Accruals	36.52	Cash Credit	0.00		
		Loans and Advances	11.73	Outstanding Expenses	4,077.10		
		Disposable Investments	0.00	Provision for taxation	0.00		
		Any other current assets	5,134.98	Proposed dividend	0.00		
				Unclaimed Dividend	0.00		
				Any other current liabilities	1,937.56		
			<b>6,838.13</b>		<b>65,106.89</b>	<b>0.11</b>	<b>0.14</b>

Sr. no	Ratio Analysis	Numerator	Rs in lakhs	Denominator	Rs in lakhs	31st March 2023	31st March 2022
2	Debt Equity Ratio	Total Debt Total Debt	44,748.44	Shareholder's Equity Total Shareholders Equity	-36,230.67	-1.24	-1.45
3	Debt Service Coverage Ratio	Earnings available for debt service Net Profit after tax + non-cash operating expenses like depreciation and other amortizations + Interest+other adjustments like loss on sale of fixed assets, etc.	6,708.62	Debt Service Current Debt Obligation (Interest & Lease payment+ Principal Repayment.	320.81	20.91	43.75
Remarks-The ratio has changed in current year, as the company is generating operating income to cover its annual debt and interest payments.							
4	Return on Equity Ratio	Profit for the period Net Profit after taxes - preference dividend (if any)	125.33	Avg. Shareholders Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	-36,293.33	0.003	-0.04
Remarks-The ratio has improved in the current year as it shows improved company's proficiency to generate profits from its shareholders equity as compared to previous year.							
5	Inventory Turnover Ratio	Cost of Goods sold (Opening Stock + Purchases) - Closing Stock	48,567.92	Average Inventory (Opening Stock + Closing Stock)/2	2,984.11	16.28	22.99
Remarks-The ratio has been decreased in the current year due to cost of goods sold on lower side, as compared to previous year.							
6	Trade Receivables Turnover Ratio	Net Credit Sales Credit Sales	61,551.04	Average Trade Receivables (Beginning Trade Receivables + Ending Trade Receivables) / 2	966.55	63.68	56.64
7	Trade Payables Turnover Ratio	Total Purchases Annual Net Credit purchases	55,896.36	Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2	12,211.86	4.58	8.44
Remarks- The accounts payable turnover ratio has decreased from previous year indicating that trade payables have been increased as compared to previous year.							
8	Net Capital Turnover Ratio	Net Sales Total Sales - Sales Return	61,551.04	Average Working Capital Current Assets - Current Liabilities	-58,268.76	-1.06	-1.57
Remarks-The ratio has been changed due to decrease in turnover and the percentage is negligible due to negative working capital. Downward trend in the net capital ratio indicates liquidity problems.							
9	Net Profit Ratio	Net Profit Profit After Tax	125.33	Net Sales Sales	61,551.04	0.002	-0.02
Remarks-This ratio has been changed due to increase in Profit after tax in the current year with improved profitability scenario as compared to the previous period.							
10	Return on Capital employed	Earning before interest and taxes Profit before Interest and Taxes	5,489.23	Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-35,965.58	0.15	-0.13
Remarks- The ratio has been improved in current year as compared to previous year, due to improvement in EBIT.							
11	Return on Investment	Return/Profit/Earnings	-	Investment	-	Nil	Nil



**62 Relationship with Struck off Companies**

Name of struck off Company	Nature of Transactions with Struck -off Company	Balance Outstanding as at 31.03.2023	Relationship with the Struck off Company, if any, to be disclosed.
Sree Vaishnavi Impex Private Limited	Payables	25,565.00	Vendor
Vinod Cotton Corporation Private Limited	Payables	2,21,560.89	Vendor
B.R.Knitwears Pvt. Ltd.	Receivables	15,67,530.00	Customer

- 63 There are no charges or satisfaction yet to be registered with Registrar of Companies/MCA beyond the statutory period.
- 64 The company has no subsidiary as on 31.03.2023; as such the company is in fully compliance with provisions with respect to number of layers of companies prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 65 During the year, there has not been any Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 66 **Utilisation of Borrowed funds and share premium:**
- (A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries ;
- (B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:-
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 67 The company has not used any borrowings from banks and financial institutions for other than the specific purpose for which it was taken as at the balance sheet date
- 68 The company has not traded or invested in crypto currency or virtual currency during the financial year.
- 69 With regard to the provisions of Corporate Social Responsibility covered under the section 135 of Companies Act, the detail is as under:

Sr. No.	Particulars	Amount (in Rs.)
1	Amount required to be spend by the company during the year	NIL
2	Amount of expenditure incurred	N.A
3	Shortfall at the end of the year	N.A
4	Total of previous years' shortfall	N.A
5	Reason for shortfall	N.A
6	Nature of CSR Activities	N.A
7	Details of Related Party Transactions, e.g contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard	N.A

- 70 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under Income Tax Act, 1961, that has not been recorded in the books of account.
- 71 According to the SEBI circular for Disclosure of Large Entity, it is hereby confirmed that Vardhman Polytex Limited is not a Large Entity. Outstanding borrowing (Long Term) in terms of the said circular was Rs. Nil as on 31.03.2023.

As per our report of even date  
**For Romesh K. Aggarwal & Associates**  
**Chartered Accountants**  
 Firm Reg. No:-000711N

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF VARDHMAN POLYTEX LIMITED**

Sd/-  
**Ruchir Singla**  
 Partner  
 Membership No. 519347  
 UDIN- 23519347BGXRRO1544

Sd/-  
**Manju Oswal**  
 Director  
 DIN-00009449

Sd/-  
**Adish Oswal**  
 Chairman & Managing Director  
 DIN-00009710

**Place: Ludhiana**  
**Date: 30th May 2023**

Sd/-  
**Ajay K. Ratra**  
 Company Secretary

Sd/-  
**Radhamohan Soni**  
 Chief Financial Officer

VARDHMAN POLYTEX LIMITED



CIN: L17122PB1980PLC004242
Regd. Office: Vardhman Park, Chandigarh Road, Ludhiana-141123, Punjab, India

Table with 2 columns: Folio No./DP ID/ Client ID No., No. of Shares Held

ATTENDANCE SLIP

I/We record my/our presence at the Annual General Meeting of the Company at Registered Office of the company at Vardhman Park, Chandigarh Road, Ludhiana-141123 on Friday, 18th August, 2023 at 11.00 a.m.

Table with 2 columns: NAME OF THE SHAREHOLDER(S)(in Block Letters), SIGNATURE OF THE SHAREHOLDER(S), NAME OF THE PROXY(in Block Letters), SIGNATURE OF THE PROXY

NOTE: You are requested to sign and handover this slip at the entrance of the meeting venue.

VARDHMAN POLYTEX LIMITED



CIN: L17122PB1980PLC004242
Regd. Office: Vardhman Park, Chandigarh Road, Ludhiana-141123, Punjab, India

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Table with 4 columns: CIN, Name of the Company, Registered Office, Name of the member(s), Registered address, E-mail Id, Folio No/Client Id, DP ID

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

- 1. Name ..... E-mail id.....
Address ..... Signature ..... Or failing him
2. Name ..... E-mail id.....
Address ..... Signature ..... Or failing him
3. Name ..... E-mail id.....
Address ..... Signature ..... Or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 18th August, 2023 at 11.00 AM at Registered Office of the company at: Vardhman Park, Chandigarh Road, Ludhiana-141123.

Resolution No.:

- 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Reports of Auditors and Directors thereon together with the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Adish Oswal (DIN - 00009710), who retires by rotation in accordance with Articles of Association and being eligible, offers himself for re-appointment.
3. To approve payment of remuneration to Mr. Adish Oswal (DIN: 00009710), Chairman & Managing Director of the Company
4. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2024
5. To appoint Mrs. Sanchi Taneja (DIN: 08857114) as Independent Director

Signed this ..... day of ..... 2023

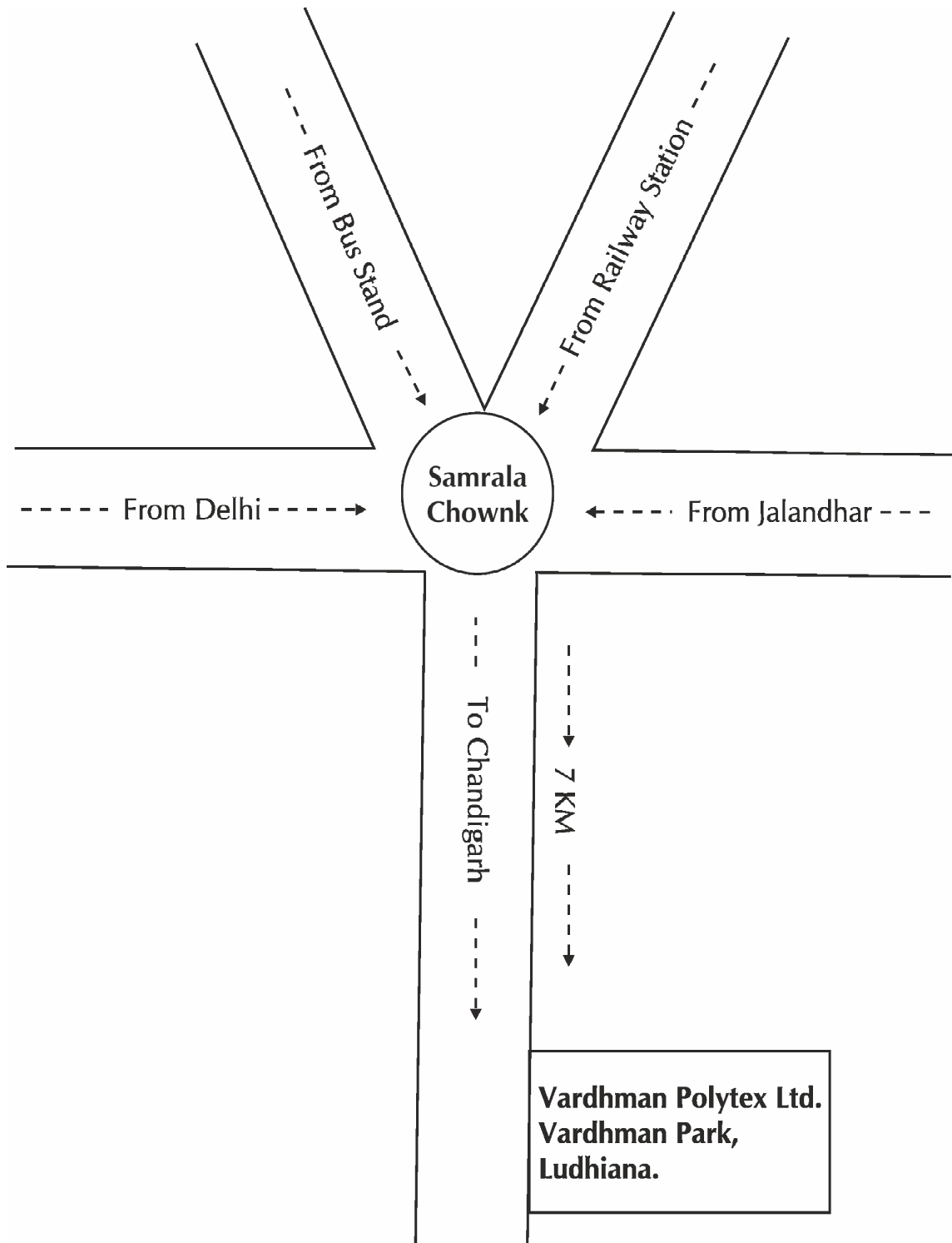
Signature of Shareholder: Signature of Proxy holder(s):



Note: 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.

### Route Map of AGM Venue Vardhman Polytex Limited

Vardhman Park, Chandigarh Road, Ludhiana-141123





## **VARDHMAN POLYTEX LIMITED**

An Oswal Group® Company

CIN: L17122PB1980PLC004242

### **REGISTERED & CORPORATE OFFICE**

Vardhman Park, Chandigarh Road,  
Ludhiana-141123, Punjab, (India)

Ph: +91-161-6629888

Fax: +91-161-6629988

Email: [info@vpl.in](mailto:info@vpl.in)

### **DELHI OFFICE**

305, 3rd Floor, Ansal Bhawan 16,  
Kasturba Gandhi Marg  
New Delhi-110001 (India)

Ph: +91-11-23311582, 23312478

Fax: +91-11-23312477

[www.vpl.in](http://www.vpl.in)