



44th
ANNUAL REPORT
2023-24

Vardhman Polytex Limited
An Oswal Group[®] Company



Message from Chairman & Managing Director

Dear Shareholders,

I am writing to you with a comprehensive update on our company's performance for fiscal year 2023-24. As we reflect on the results, it is essential to address both the challenges and the strategic responses that shape our path forward.

This year, our turnover has decreased compared to the previous year. The primary factor contributing to this decline has been the lower and irregular production activities at our manufacturing unit located at Bathinda. This unit, unfortunately, faced significant operational difficulties due to deteriorating machine conditions and high operational costs. These issues ultimately led to the closure of this facility as it became economically non-viable.

In addition to the challenges faced by this particular unit, our overall liquidity position has been under strain. This financial pressure has impacted our operations and further contributed to the reduction in revenue. The textile industry, known for its inherent volatility and typically low margins, has compounded these challenges.

Despite these obstacles, I want to assure you that our commitment to navigating these tough times is unwavering. The textile sector, while currently volatile, presents opportunities for recovery and growth. Our management team is actively working on strategic initiatives designed to stabilize our operations and enhance our competitive edge. We are confident that with a renewed focus on operational efficiency coupled with reduction in debts, our company is well-positioned to rebound from this period of difficulty.

Looking ahead, we remain optimistic about the potential for growth and profitability. Our strategic efforts are aimed at leveraging market opportunities and ensuring that we can emerge stronger and more resilient. I extend my sincere gratitude to our shareholders, employees, customers, and partners for their unwavering support during these challenging times.

Thank you for your ongoing trust in our company.

Sincerely,

Adish Oswal
Chairman & Managing Director



BOARD OF DIRECTORS

| | |
|------------------------|--|
| Mr. Adish Oswal | - Chairman & Managing Director |
| Mrs. Manju Oswal | - Director |
| Mr. Suresh Kumar Banka | - Director |
| Mr. Sandeep Mehta | - Independent Director (upto 02.04.2024) |
| Mr. Sanjeev Joshi | - Independent Director (upto 14.09.2023) |
| Mr. Sagar Bhatia | - Independent Director |
| Mrs. Sanchi Taneja | - Independent Director (w.e.f. 18.07.2023) |
| Mr. Rohit Jain | - Independent Director (w.e.f. 28.03.2024) |

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
E-mail: info@vpl.in
Website: www.vpl.in
CIN: L17122PB1980PLC004242

WORKS

- 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.)

BRANCH OFFICES

305, Ansal Bhawan, 16, K.G. Marg,
New Delhi-110001
Phones: +91-11-41520176
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

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NOTICE

NOTICE is hereby given that the **44th Annual General Meeting (AGM)** of the members of Vardhman Polytex Limited will be held on **Friday, 27th September, 2024 at 11:00 a.m.** at the registered office: Vardhman Park, Chandigarh Road, Ludhiana-141123 to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024, together with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. Manju Oswal (DIN-00009449), who retires by rotation in accordance with Articles of Association and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2025**

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 31st March, 2025, be paid the remuneration of Rs. 1,35,000/- plus taxes and out-of-pocket expenses.

RESOLVED FURTHER THAT Mr. Adish Oswal, Chairman & 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/-

Ajay K. Ratra

Company Secretary

Place: Ludhiana
Date : 14.08.2024

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 Tuesday, 24th September, 2024 to Friday, 27th September, 2024 (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 at least 7 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
6. Khanna Ashwani and Associates, Company Secretaries, has been appointed as scrutinizer to scrutinize the voting process and voting at the meeting.
7. 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.
8. In support of the Green Initiative and in compliance with the MCA general circular no. 09/2023 dated 25.09.2023 and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report 2023-24 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).
9. The Notice of AGM can also be accessed from the website of the company at www.vpl.in and from Stock Exchanges at www.bseindia.com and www.nseindia.com . The AGM Notice is also disseminated on the website of CDSL at www.evotingindia.com
10. **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 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.

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

- i) The voting period begins on Tuesday, 24.09.2024 (09:00 A.M.) and ends on Thursday, 26.09.2024 (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, 20.09.2024 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

- 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"> 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 www.cdslindia.com and click on login icon & New System Myeasi Tab. 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be 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. |

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on 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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (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 Depository Participants (DP) | 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 re-directed 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 CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000 |

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.
 - 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,
 - 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 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:
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

| | |
|---|---|
| | 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"> 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. |
| Dividend Bank Details OR 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"> 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. |

- 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 ***EVSN: 240816001 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 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.
 - 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 mandatorily 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, 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 or contact at toll free no. 1800 21 09911



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 or call at toll free no. 1800 21 09911.

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

ITEM NO. 3

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 31st March, 2025. 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 31st March, 2025.

The Board recommends the Ordinary resolution set forth in Item No. 3 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.

By Order of the Board

**Place: Ludhiana
Date : 14.08.2024**

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

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:

| | |
|--|---|
| 1. Name of Director | Mrs. Manju Oswal |
| DIN | 00009449 |
| Date of Birth | 04.08.1957 |
| Date of First Appointment at Board | 12.08.2017 |
| Expertise in specific functional area | Wide Experience in Textile Industry |
| Appointment/Re-appointment | Re-appointment due to retiring by rotation |
| No. of equity shares held in VPL | 5,26,940 equity shares |
| Qualification | Graduation |
| Board Meetings attended during the year | 11 Board Meetings |
| Directorship of other companies as on 31 st March, 2024 | <ol style="list-style-type: none"> 1. Nighthagle Dealcom Private Limited 2. Enakshi Investments Private Limited 3. Liberty Mercantile Company Private Limited |
| Chairmanship /Membership of Committees of other Companies as on 31 st March, 2024 | NIL |
| Relationship with other Directors, Manager and KMP | Mother of Mr. Adish Oswal, Chairman & Managing Director |
| 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 meeting. |
| Listed Entities from which he/ she has resigned in the last 3 years | NIL |

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 44th Annual Report on the affairs of the Company together with Audited Financial Statements for the year ended 31st March, 2024.

1. Financial Highlights (₹ in Lakhs)

| PARTICULARS | 2023-24 | 2022-23 |
|--|-------------------|-------------------|
| Revenue from operations (Net) | 37,063.81 | 61,551.04 |
| Other Income | 2,897.18 | 615.82 |
| Total Income (1) | 39,960.99 | 62,166.86 |
| Expenses | | |
| Cost of material consumed | 32,034.82 | 46,825.84 |
| Purchase of traded goods | - | 4,088.19 |
| Changes in inventories of finished goods | 471.75 | 2,126.15 |
| Excise duty on sale of goods | - | - |
| Employee benefit expense | 3,828.45 | 4,518.37 |
| Finance costs | 335.25 | 5,340.09 |
| Depreciation and amortization expense | 1,047.95 | 1,219.39 |
| Other expenses | 4,918.74 | 7,619.32 |
| Total Expenses (2) | 42,636.97 | 71,737.35 |
| Profit from operation before exceptional item and Tax (1-2) | (2,675.98) | (9,570.49) |
| Exceptional Items: Income/(Loss) | - | 9,719.63 |
| Profit before Tax | (2,675.98) | 149.14 |
| Less: Tax Expenses: | | |
| Current Tax | - | - |
| Deferred Tax (Credit) | - | - |
| Profit after Tax | (2,675.98) | 149.14 |
| Other Comprehensive Income: | | |
| Re-measurement of defined benefit obligation | (32.11) | (23.81) |
| Total Comprehensive Income for the Period | (2,708.09) | 125.33 |
| Earning Per Share: | | |
| Basic | (10.83) | 0.67 |
| Diluted | (8.31) | 0.67 |

Financial Performance & Review

Revenue from operations has come down to Rs.37,063.81 Lakhs showing declined by Rs.24,487.24 Lakhs and 39.78% in FY 2023-24 from Rs.61,551.04 Lakhs in FY 2022-23. The major reason for reduction in revenue is the lower / irregular production activities of one of the manufacturing units of the company located at Bathinda

during the year, which ultimately led to the closure of the operations of unit. This unit had been closed due to operational losses and non – viability due to deteriorating conditions of machines & high operational cost. Further, during the previous F.Y 2022-23 the company had made trading of cotton amounting to Rs. 4594.52 Lakh, which has not been done in the current F.Y 2023-24. Also, during the current F.Y 2023-24 there is major shortfall in the sale of dyed yarn due to adverse market conditions. The above stated reasons impacted the reduction in revenue in F.Y 2023-24. There was loss of Rs.2675.98 Lakhs during FY 2023-24 as compared to last year's PBT of Rs.149.14 Lakh

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. Further, the company had settled its debts under OTS with Bank of India, Indian Bank (Allahabad Bank), Punjab National Bank, J & K Bank, Punjab & Sind Bank. On November 8, 2023, the Company has accepted/ signed the Letter of Acceptances (LOA) of Phoenix ARC Private Limited for restructuring of debt and the debt is repayable in monthly installments upto September, 2026 as per repayment schedule of LOA. As per the LOA, the liability will recast to the original amount in case of default.

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: <https://www.oswalgroup.com/images/recordupload/determination-of-material-subsidiary-policy-2022.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, 2024.

7. Directors & Key Managerial Personnel

Mrs. Sanchi Taneja was appointed as Additional Director under the category of Non-Executive Independent Director by the board of directors of the company in their meeting held on 18.07.2023 and later, she was appointed as Director under the category of Non-Executive Independent Director in the AGM held on 18.08.2023, for a period of 4 years w.e.f 18.08.2023.

Mr. Rohit Jain was appointed as Additional Director under the category of Non-Executive Independent Director by the board of directors of the company in their meeting held on 28.03.2024. Later, he was appointed as an Independent Director of the Company for a term of 3 years starting from 4th May, 2024.

Mr. Sanjeev Joshi, Independent Director of the company had resigned from the directorship with effect from 14.09.2023. Board places on record its sincere appreciation for their valuable contribution to the company.

Mr. Sandeep Mehta, Independent Director of the company has tendered resignation from the directorship w.e.f 02.04.2024. Board places on record its sincere appreciation for their invaluable contribution to the company.

Mrs. Manju Oswal, is retiring by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers herself for re-appointment. The board recommends her re-appointment in the forthcoming 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, 2024, Eleven (11) meetings of the Board were held on the following mentioned dates:

| SR. NO. | DATE OF BOARD MEETING |
|----------------|------------------------------|
| 1 | 18-05-2023 |
| 2 | 30-05-2023 |
| 3 | 27-06-2023 |
| 4 | 18-07-2023 |
| 5 | 08-08-2023 |
| 6 | 09-09-2023 |
| 7 | 26-10-2023 |
| 8 | 09-11-2023 |
| 9 | 13-02-2024 |
| 10 | 06-03-2024 |
| 11 | 28-03-2024 |

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 13.02.2024, 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:

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

11. Familiarization programme for Independent Directors

During FY 2023-24, 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 and can be viewed at the following weblink: <https://www.oswalgroup.com/images/recordupload/familiarisation-programme-id-2023-24.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;
- 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 31st March, 2024, 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 31st March, 2024 and of the profit and loss of the Company for the year ended 31st March, 2024;
- 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 31st March, 2024 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 31st March 2024.

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 and can be viewed at: <https://www.oswalgroup.com/images/recordupload/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 i.e., 31st March, 2024 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

On June 27, 2023, 1,30,00,000 warrants were allotted to the non-promoters on preferential basis. These warrants were convertible into equivalent number of equity shares of Rs. 10 each at a premium of Rs. 30.50 per share within

18 months from the date of allotment and 50,00,000 warrants were converted into equity shares during the year. Consequently, Paid-up capital of the company was increased from Rs. 22,29,09,570 to Rs. 27,29,09,570 consisting of 2,72,90,957 equity shares having of Rs. 10/- each.

Later, Equity shares Rs. 10/- each were sub-divided/split into 10 shares of Re. 1/- each with effect from 18th May, 2024, resulting into increase in number of shares from 2,72,90,957 shares of Rs. 10/- each to 27,29,09,570 shares of Re. 1/- each.

There are 80,00,000 warrants pending for conversion into 80,00,000 equity shares of Rs.10 each. However, due to sub-division/split of equity shares of Rs. 10/- each into 10 shares of Re. 1/- each on 18th May, 2024, pending 80,00,000 warrants will be convertible into 8,00,00,000 shares of Re. 1 each and these warrants can be converted into equity shares on or before 26th of December, 2024 as per terms.

21. Application/ any proceeding pending under the Insolvency & Bankruptcy Code, 2016

During the year under review, neither any application was made nor any proceeding pending under the Insolvency & Bankruptcy Code, 2016.

22. Details Of difference between amount of the valuation done at the time of One Time settlement (OTS) and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

Not Applicable as no OTS was done during FY 2023-24.

23. Particulars of loans, guarantees and investments u/s 186

Amount outstanding as on March 31, 2024

(₹ In Lakh)

| Particulars | Amount |
|------------------|--------|
| Loans given | Nil |
| Guarantees given | Nil |
| Investments made | 0.62 |

During the FY 2023-24, there are no transactions pertaining to Loans, Guarantees given or Investments made.

24. Related Party Transactions

During FY 2023-24, 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 2023-24, 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 2023-24, 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 and can be viewed at: <https://www.oswalgroup.com/images/recordupload/policy-on-dealing-with-related-party-transactions-2022.pdf>

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

25. 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 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 and can be viewed at: <https://www.oswalgroup.com/images/recordupload/risk-management-policy.pdf>

26. 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 and can be viewed at: <https://www.oswalgroup.com/images/recordupload/vigil-mechanism-policy.pdf>

27. 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.

28. 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: <https://www.oswalgroup.com/images/recordupload/code-for-prevention-of-insider-trading-2607.pdf>

29. 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, 2024:

| Sr. No. | Name of Director | Designation in the Committee |
|---------|--------------------|------------------------------|
| 1. | Mr. Adish Oswal | Chairman |
| 2. | Mrs. Manju Oswal | Member |
| 3. | Mrs. Sanchi Taneja | 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 and can be accessed at the link: <https://www.oswalgroup.com/images/recordupload/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 Swach 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.

30. Audit Committee

The Audit Committee of the Company comprised of the following Non-Executive and Independent Directors as on 31st March, 2024:

| | | |
|---|--------------------|-------------|
| 1 | Mrs. Sanchi Taneja | Chairperson |
| 2 | Mrs. Manju Oswal | Member |
| 3 | Mr. Rohit Jain | 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.

31. 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 40th Annual General Meeting held on 29.09.2020 for a period of five years i.e., till the conclusion of 45th 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 lacs 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 216,116 USD as on March 31, 2024 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).

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 lacs."

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 and final payment date is 30th November, 2024.

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, Practising Company Secretary, Ludhiana to conduct the secretarial audit of the Company for the financial year 2023-24, and reappointed the same for FY 2024-25 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 2023-24 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 31st March, 2025. 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.

32. Compliance to Secretarial Standards

The company has duly complied with the applicable Secretarial Standards during the FY 2023-24.

33. 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.

34. Listing of securities

The shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited. The Company has paid annual listing fee to exchanges for the year 2023-24.

35. 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'.

36. 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.

37. 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.

38. 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'.

39. 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. https://www.oswalgroup.com/images/recordupload/Annual_Return_2023.pdf

40. 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 Hahnl, Director and Mr. Ishwinder Maddh (erstwhile Alternate director to Mr. Josef Hahnl) alleging that the activities and acts of Mr. Josef Hahnl 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, Hahnl 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. MUT has filed an application with NCLT, Chandigarh for execution of CLB order dated 13.08.2015. The matter is sub judice.

41. 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.

42. 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: 14.08.2024

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

"Senior Management" shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

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. Nomination and Remuneration Committee (NRC) of the company is to be involved in appointment of Senior management and remuneration payable to them.

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 at <https://www.oswalgroup.com/images/recordupload/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 | Mrs. Manju Oswal | Member | | 2 |
| 3 | Mr. Sandeep Mehta (upto 28.03.2024) | Member | | 1 |
| 4 | Mrs. Sanchi Taneja (w.e.f. 28.03.2024) | Member | | 1 |

3. Composition of CSR Committee is also available on website of Company: www.vpl.in at https://www.oswalgroup.com/pdf/VPL_Committees_28.03.2024.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 | | | |
| | Total | | |

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

Net Profit/ (Loss) for FY 2022-23: Rs. 149.14 Lakh
 Net Profit/ (Loss) for FY 2021-22: (Rs. 1,555.55 Lakh)
 Net Profit/ (Loss) for FY 2020-21: (Rs. 5,669.21 Lakh)
 Average of Three years: (Rs. 2,358.54 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 | | | | | | | N.A. | | | | |
| 4 | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

- 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 | | | | | | | N.A. | | |
| 4 | | | | | | | | | |
| TOTAL | | | | | | | | | |

- 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. | | | |
| | Total | | | | | | |

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. | | |
| | Total | | | | | | | |

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 no. 6 and 7 as mentioned above.

For and on behalf of the board

Sd/-

Adish Oswal

Chairman and Managing Director

DIN: 00009710

Date: 27th May, 2024

Place: Ludhiana

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024.

[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 **31.03.2024** 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 **31.03.2024** 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;
- (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; not applicable during the period of audit.
- (g) The Securities and Exchange Board of India (**Issue and Listing of Debt Securities and Security Receipts**) Regulations, 2008; not applicable during the period of audit.
- (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 1st 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 06.08.2024 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) Vardhman Polytex Limited, D-295/1, Focal Point, Phase-8, Ludhiana East, Ludhiana IV, Ludhiana, Punjab, India.

**Further, Bathinda Unit of the company has stopped operations and the intimation of the same was uploaded to the exchange on 6th March, 2024*

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

- 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.
- On November 8, 2023, the company has accepted/ signed the Letter of Acceptances (LOA) of Phoenix ARC Private Limited for restructuring of Debt and debt is repayable in monthly installments upto September, 2026 as per repayment schedule of LOA.
- There was delay in making Payment of Provident Fund and filing of relevant returns thereon.
- **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.

Signature:
(Ashwani Kumar Khanna)
FCS No. 3254
CP No. 2220
UDIN: F003254F000918652

Place: Ludhiana
Date: 07/08/2024

- **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: 07/08/2024

Signature:
(Ashwani Kumar Khanna)
FCS No. 3254
CP No. 2220
UDIN: F003254F000918652

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 | 238:1 | - |
| 2. | Mr. Radhamohan Soni (Chief Financial Officer) | 18:1 | 28.57% |
| 3. | Mr. Ajay K. Ratra (Company Secretary) | 16:1 | 11.63% |

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

- b) The median remuneration of employees of the company during the financial year: 12,597.06
c) The percentage increase in the median remuneration of employees in the financial year: 14.60%
d) Number of permanent employees on the rolls of company as on 31st March, 2024: 1,046
e) The average annual increase in the salaries of employees other than managerial personnel during the financial year was around: 12%
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 31st March, 2024

| Sr. No. | Name of Employee | Date of Birth | Designation | Qualification | Total Experience (In Years) | Date of commencement of employment in VPL | Remuneration drawn during the year (₹ in Lakh) | Previous employer |
|---------|---------------------------|---------------|------------------------------|---------------------------|-----------------------------|---|--|----------------------------------|
| 1 | Mr. Adish Oswal | 18.01.1980 | Chairman & Managing Director | B.Com | 21 | 27.03.2003 | 270.97 | - |
| 2 | Mr. Amitabh Singh Dagar | 09.11.1973 | GM (Operations) | B.Tech | 29 | 27.09.2003 | 38.42 | Arihant Spinning Mills |
| 3 | Mr. Rajesh Lakshmanan | 02.05.1979 | Vice President | MBA | 21 | 14.02.2022 | 28.79 | Star Union Dai Ichi |
| 4 | Mr. Abhay Janardhan Munje | 28.08.1971 | Vice President | MBA- IT | 25 | 08.08.2022 | 26.60 | Jakson Group |
| 5 | Mr. Vijay Arora | 02.03.1970 | Associate Vice President | B.Com, LLB | 29 | 20.10.1998 | 24.98 | Annant Spinning Mills |
| 6 | Mr. Amit Pandey | 24.10.1973 | General Manager- Operation | B.Tech Textile Technology | 29 | 01.03.1997 | 22.46 | Delhi Cloth Mills |
| 7 | Mr. Ajay Kumar Ratra | 30.09.1970 | Company Secretary | B.com, CS | 29 | 01.11.2018 | 21.05 | Lakshmi Energy and Foods Limited |
| 8 | Mr. Radhamohan Soni | 20.09.1971 | Chief Financial Officer | B.com, ICWA | 28 | 08.05.2006 | 17.85 | Kundan Edible Products Limited |
| 9 | Mr. Raj Kumar | 16.09.1966 | Associate General Manager | B. Com | 38 | 01.07.2017 | 15.43 | Aarti International |
| 10 | Mr. Anil Punia | 01.07.1974 | Chief Manager | B.Tech | 26 | 16.05.2022 | 14.89 | ASI Industries |

Note:

1. All are permanent employees, and are governed by letter of employment.
2. 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
3. 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 Rs. 1,02,00,000 or more Per Annum or Rs. 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 drawn during the year (₹ in Lakh) | Previous employer |
|---------|------------------|---------------|------------------------------|---------------|-----------------------------|---|--|-------------------|
| 1 | Mr. Adish Oswal | 18.01.1980 | Chairman & Managing Director | B.Com | 21 | 27.03.2003 | 270.97 | - |

CONSERVATION OF ENERGY AFND 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 2023-24 | Power saving (Units/KWH in Lakhs) | Investment (₹ in lakh) |
|--|--|------------------------|
| Replacement of IE3 45KW Motor & Ring-frame Spindles with IE4 55KW Motor & Ring-Frame Light Weight Spindles | The units were saved with IE4 Motor and Light Weight spindles. Saving : 57.693 Units/day | 11.09 |
| Energy saving by installation of VFD on B/R MAF 22KW | Units were saved by changing starter with Variable Frequency Drive (VFD) Saving: 48 Units/day | In-house arrangement |
| Power Transformer's cooling fan Auto stop 410 Watt. | Saving: 2.624 Units/day | 0.02 |

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

1. Replacement of ring frame spindles with light weight spindles.
2. Replacement of starter with VFD.
3. Auto stop of power transformer cooling fan.
4. Replacement IE3 moter with IE4

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

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 is committed to ensuring quality across all its products & services. Understanding the paramount importance of continuous improvement in the input raw materials & accessories for a consistent & continual improvement in the quality of out-put, the Company has installed new testing equipment of fibre & packing accessories to facilitate better control and quality management in these areas. In addition, Process re-engineering remained another focused area, where On-line control technology of production process is also upgraded to an user-friendly & more analytical interface 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 in all process inputs like raw material & accessories and upgraded varieties of normal yarn to a premium quality level with higher consistency. As a result of state-of-art Technology & effective R&D techniques, It has been able to expand it's overseas market base & reduce customer feedbacks without compromising on productivities.

c) Expenditure on R&D

₹ in lakh

| Particulars | 2023-24 | 2022-23 |
|-------------------------|--------------|--------------|
| Capital | 2.46 | 0 |
| Recurring | 6.02 | 3.81 |
| Total | 8.48 | 3.81 |
| As % of Turnover | 0.023 | 0.006 |

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 | 2023-24 | 2022-23 |
|---------------------------------|---------|---------|
| Earnings (FOB value of exports) | - | - |
| CIF value of imports | - | - |
| Expenditure in foreign currency | 6.47 | 20.09 |

For and on behalf of the Board

Sd/-

Adish Oswal

Chairman & Managing Director
(DIN- 00009710)

Date : 14th August, 2023

Place: Ludhiana

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

Global Economy

The global economy is exhibiting resilience and fortitude. There are, however, multiple challenges emanating from still elevated inflation, tight monetary and financial conditions, escalating geopolitical tensions, rising geo-economic fragmentation, disruptions in key global shipping routes, high public debt burdens and financial stability risks. Amidst heightened uncertainty, global growth is likely to weaken below its historical average in 2024, with divergent and uneven pathways across geographies and sectors.

According to the International Monetary Fund (IMF), global growth decelerated to 3.2 per cent during 2023 from 3.5 per cent during 2022. The pace of economic activity was dragged down, inter alia, by restrictive monetary policy stances to tame inflation, protracted geopolitical tensions and sluggish recovery in China. Global inflation fell to 6.8 per cent in 2023 from 8.7 per cent in 2022 on the back of easing commodity prices, favourable supply conditions and monetary tightening across major economies.

(Source: RBI Annual Report 2023-24)

Indian Economy

Amidst this challenging global economic environment, the Indian economy is exhibiting strength and stability with robust macroeconomic fundamentals and financial stability. India has emerged as the fastest growing major economy in the world and a leading contributor to global growth. The Indian economy expanded at a robust pace in 2023-24, with real GDP growth accelerating to 7.6 per cent from 7.0 per cent in the previous year – the third successive year of 7 per cent or above growth. With gross fixed capital formation (GFCF) accelerating to 10.2 per cent in 2023-24 from 6.6 per cent in 2022-23, investment was the major driver of domestic demand, buoyed by government spending on infrastructure. Growth in private consumption demand, on the other hand, stood at 3.0 per cent as against 6.8 per cent a year ago. Government consumption demand was also subdued tracking fiscal consolidation. Net exports dragged down growth due to the moderation in exports as a result of contraction in global trade volumes. Import demand was relatively buoyant on robust domestic demand.

Inflationary pressures moderated albeit unevenly during 2023-24, reflecting the combined impact of calibrated monetary tightening, easing of input cost pressures and supply management measures. Headline inflation softened to 5.4 per cent during 2023-24 from 6.7 per cent in the previous year, driven by the fall in core inflation (CPI excluding food and fuel) to 4.3 per cent from 6.1 per cent.

(Source: RBI Annual Report 2023-24)

INDUSTRY STRUCTURE & DEVELOPMENTS

Global Textile Industry

The global textile market size was valued at USD 1,837.27 billion in 2023 and is anticipated to grow at a compound annual growth rate (CAGR) of 7.4% in revenue from 2024 to 2030. The ever-increasing apparel demand from the fashion industry and the meteoric growth of e-commerce platforms are expected to drive market growth over the forecast period. The textile industry works on three major principles: designing, producing, and distributing different flexible materials such as yarn and clothing. Market growth stage is medium, and pace of the market growth is accelerating. The market is fragmented due to several small- and medium-sized manufacturers, especially in countries such as China and India. Moreover, the easy availability of low-cost labor, coupled with strengthening government support to establish the business units of various major players in these countries, is expected to bring healthy growth to the market.

The cotton segment led the market and accounted for over 38% of the overall revenue share in 2023. Cotton is the world's most important natural fiber, attributed to its superior properties, such as high strength, absorption, and color retention. China, India, and the U.S. primarily produce cotton and cotton-based products worldwide.

(Source: <https://www.grandviewresearch.com/industry-analysis/textile-market>)

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.

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$100 billion.

The textiles and apparel industry contributes 2.3% to the country’s GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade. During FY24, the total exports of textiles (including handicrafts) stood at US\$ 35.9 billion.

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

Opportunities & Threats

Opportunities

Textiles encompass a broad range of woven or non-woven materials utilized in various applications such as clothing, upholstery, and technical uses. These materials, derived from natural and synthetic fibers like cotton, wool, polyester, and nylon, constitute a vital component of the global textile market, which continues to expand, driven by increasing demand for clothing and the proliferation of online shopping platforms. The market dynamics are influenced by several factors. Among the primary drivers is India’s burgeoning population coupled with rising disposable incomes. India presents a vast consumer base for textiles. The steady increase in per capita income further propels the demand for clothing and textiles. Additionally, proactive government initiatives such as ‘Make in India’ bolster domestic manufacturing, exports, and investments in the sector.

Threats

However, the industry faces certain challenges that impede its full potential. Infrastructure deficiencies, including inadequate transportation networks and outdated manufacturing facilities, contribute to operational inefficiencies and increased production costs. According to the Confederation of Indian Textile Industry (CITI), these bottlenecks escalate production costs by up to 15-20%, diminishing the competitiveness of Indian textiles globally. Moreover, the industry’s fragmented structure, characterized by numerous small-scale and unorganized players alongside larger corporations, poses challenges in production, distribution, and marketing. Limited access to finance, outdated technology, and regulatory difficulties further compound the issues faced by small-scale producers, affecting the overall reputation of Indian textiles in international markets.

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 at Ludhiana (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 | 2023-24 | 2022-23 |
|--------------------------|------------------|------------------|
| Grey yarn | 31,604.47 | 43,781.28 |
| Dyed yarn | 64.51 | 7,711.04 |
| Garments | 128.37 | 121.09 |
| Waste sale | 5,273.74 | 5,532.83 |
| Trading goods (textile) | 0.60 | 4,594.52 |
| Job charges income | 3.87 | 129.14 |
| Total | 37,075.56 | 61,869.90 |

Outlook

During FY 2024-25, 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. 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

Revenue from operations has declined by Rs.24,487.24 Lakhs and 39.78% in FY 2023-24 from Rs.61,551.04 Lakhs in FY 2022-23. The major reason for reduction in revenue is the lower / irregular production activities of one of the manufacturing units of the company located at Bathinda during the year, which ultimately led to the closure of the operations of unit. This unit had been closed due to operational losses and non – viability due to deteriorating conditions of machines & high operational cost. Further, during the previous F.Y 2022-23 the company had made trading of cotton amounting to Rs. 4594.52 Lakh, which has not been done in the current F.Y 2023-24. Also, during the current F.Y 2023-24 there is major shortfall in the sale of dyed yarn due to adverse market conditions. The above stated reasons impacted the reduction in revenue in F.Y 2023-24. There was loss of Rs.2675.98 Lakhs during FY 2023-24 as compared to last year's PBT of Rs.149.14 Lakh

The past few years have been quite tough for the company which required resilience and adaptability. The textile industry also 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 company will rebound from its current depressed state, presenting us with opportunities for growth and profitability.

Resource utilization:

The gross fixed assets as at 31st March, 2024 were Rs.38,487.73 lakh as against Rs.57,707.80 lakh in the previous year. The Net block of assets as on 31st March, 2024 was Rs.12,887.95 lakh as compared to Rs. 15,423.22 lakh in the previous year.

Inventory levels as at 31st March, 2024 were Rs.1,681.23 lakh as against Rs.1,592.72 lakh in the previous year. The trade receivable as at 31st March, 2024 were Rs.3.57 lakh as against Rs.18.57 lakh in the previous year.

Financial condition & liquidity:

(₹ in Lakh)

| Particulars | 2023-24 | 2022-23 |
|------------------------------------|-----------|-----------|
| Cash & cash equivalents | | |
| Beginning of the year | 43.61 | 14.61 |
| End of the year | 111.00 | 43.61 |
| Net cash provided(used) by: | | |
| Operating Activities | (1378.31) | 4030.13 |
| Investing Activities | 2628.85 | (64.79) |
| Financial Activities | (1183.15) | (3936.34) |

Human Resources Development:

The total number of employees as on 31st March, 2024 were 1,046. 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 2023-24 | FY 2022-23 |
|--------------------------------------|------------|------------|
| (i) Debtors Turnover Ratio (Days) | 5.37 | 3.27 |
| (ii) Inventory Turnover Ratio (Days) | 16.56 | 9.44 |
| (iii) Interest Coverage Ratio | -6.98 | -0.79 |
| (iv) Current Ratio | 0.33 | 0.11 |
| (v) Debt Equity Ratio | -0.21 | -1.24 |
| (vi) Operating Profit Margin (%) | -6.32 | -6.87 |
| (vii) Net Profit Margin (%) | -7.31 | 0.2 |
| (viii) Return on Net Worth (%) | -0.075 | -0.003 |

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.

Mrs. Sanchi Taneja was appointed as Additional Director under the category of Non-Executive Independent Director by the board of directors of the company in their meeting held on 18.07.2023 and later, she was appointed as Director under the category of Non-Executive Independent Director in the AGM held on 18.08.2023, for a period of 4 years w.e.f 18.08.2023.

Mr. Rohit Jain was appointed by the board of directors as Additional Director under category of Non-Executive Director w.e.f 28.03.2024. Later, he was appointed as an Independent Director of the Company for a term of 3 years starting from 4th May, 2024.

Mr. Sanjeev Joshi, Independent Director of the company had resigned from the directorship with effect from 14.09.2023. Board places on record its sincere appreciation for his invaluable contribution to the company.

Mr. Sandeep Mehta, Independent Director of the company has tendered resignation from the directorship w.e.f 02.04.2024. Board places on record its sincere appreciation for their invaluable contribution to the company.

Mrs. Manju Oswal is retiring by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers herself for re-appointment. The board recommends her re-appointment in the forthcoming 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 21 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 more than 31 years in the textiles and administration |
| Mr. Sandeep Mehta | Commerce Graduate with Master’s Degree in Business Administration having rich experience of more than 27 years in finance and accounts with various corporate houses. |
| Mr. Suresh Kumar Banka | He has vast knowledge and rich experience of more than 40 years in the field of Accounting and Cost Management. |
| Mr. Sanjeev Joshi (upto 14.09.2023) | Commerce Graduate having rich experience of more than 27 years in various Textile companies. His areas of expertise include Costing, MIS, Budgeting and Planning. |
| Mr. Sagar Bhatia | Graduate with experience of more than 9 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 11 years of experience in the fields of Accounts, Direct and Indirect Taxation. |
| Mr. Rohit Jain (w.e.f 28.03.2024) | He is Chartered Accountant and Post Graduate in Commerce. He has an experience of more than 6 years in the field of Finance, Direct and Indirect Taxation, various type of Audit and Consultation. |

b) Board Meetings:

During the financial year under review, 11 (eleven) 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 | 18/05/2023 |
| 2 | 30/05/2023 |
| 3 | 27/06/2023 |
| 4 | 18/07/2023 |
| 5 | 08/08/2023 |
| 6 | 09/09/2023 |
| 7 | 26/10/2023 |
| 8 | 09/11/2023 |
| 9 | 13/02/2024 |
| 10 | 06/03/2024 |
| 11 | 28/03/2024 |

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 Directors | Category of Directorship | No. of Shares/convertible instruments etc. held | No. of Board Meeting Attended | Attendance at Last AGM held on 18.08.2023 | 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 | 4205110 | 10/11 | NO | - | 12 | - | 1 |
| Mrs. Manju Oswal (DIN: 00009449) | Promoter, Non-Executive | 526940 | 11/11 | YES | - | 3 | 1 | 1 |
| Mr. Suresh Kumar Banka (DIN: 08847246) | Non-Executive | 80 | 11/11 | YES | - | - | - | - |
| Mr. Sandeep Mehta (DIN: 09439403) | Non-Executive Independent | NIL | 11/11 | YES | - | - | - | - |
| Mr. Sanjeev Joshi* (DIN: 09685969) | Non-Executive Independent | NIL | 2/11 | YES | - | - | - | - |

| Name of Directors | Category of Directorship | No. of Shares/ convertible instruments etc. held | No. of Board Meeting Attended | Attendance at Last AGM held on 18.08.2023 | Total No. of Directorship in other Companies [^] | | Total No. of position in Committee of Companies ^{^^} | |
|--|---------------------------|--|-------------------------------|---|---|--------|---|--------|
| | | | | | Chairperson | Member | Chairperson | Member |
| Mr. Sagar Bhatia (DIN: 09691116) | Non-Executive Independent | NIL | 11/11 | YES | - | - | - | - |
| Mrs. Sanchi Tanje** (DIN: 08857114) | Non-Executive Independent | NIL | 8/11 | YES | - | - | 1 | 1 |
| Mr. Rohit Jain** (DIN: 07950251) | Non-Executive Independent | NIL | 1/11 | NO | - | - | - | 1 |

* Mr. Sanjeev Joshi has resigned from the company w.e.f 14.09.2023

**Mrs. Sanchi Taneja and Mr. Rohit Jain were appointed as Directors under non-executive Independent category w.e.f 18.07.2023 and 28.03.2024 respectively.

[^]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:

- 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.
- 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. Sandeep Mehta | - |
| 5 | Mr. Sanjeev Joshi (upto 14.09.2023) | - |
| 6 | Mr. Sagar Bhatia | - |
| 7 | Mrs. Sanchi Taneja (w.e.f 18.07.2023) | - |
| 8 | Mr. Rohit Jain (w.e.f 28.03.2024) | - |

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 <https://www.oswalgroup.com/images/recordupload/familiarisation-programme-id-2023-24.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.
- 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 | 270.97 | - | NA | - |
| Mrs. Manju Oswal | Non- Executive Non-Independent Director | — | — | 1.28 | 1.28 |
| Mr. Suresh Kumar Banka | Non- Executive Non-Independent Director | — | — | 0.83 | 0.83 |
| Mr. Sandeep Mehta | Non- Executive Independent Director | — | — | 1.28 | 1.28 |
| Mr. Sanjeev Joshi (upto 14.09.2023) | Non- Executive Independent Director | — | — | 0.22 | 0.22 |
| Mr. Sagar Bhatia | Non- Executive Independent Director | — | — | 0.83 | 0.83 |
| Mrs. Sanchi Taneja (w.e.f 18.07.2023) | Non- Executive Independent Director | — | — | 0.74 | 0.74 |
| Mr. Rohit Jain (w.e.f 28.03.2024) | Non- Executive Independent Director | — | — | 0.08 | 0.08 |

- 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.
- 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.
- 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: <https://www.oswalgroup.com/images/recordupload/familiarisation-programme-id-2023-24.pdf>

During the year, a separate meeting of the independent directors was held on 13.02.2024 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 31.03.2024 including two Independent Directors i.e. Mrs. Sanchi Taneja as the Chairman and Mr. Rohit Jain 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 30.05.2023, 18.07.2023, 08.08.2023, 09.11.2023 and 13.02.2024. Attendance of the members of the Committee is given below:

| Members | Category | Meetings Attended |
|---|--|--------------------------|
| Mr. Sandeep Mehta (Chairman) (Upto 28.03.2024) | Non-Executive Independent Director | 5 |
| Mrs. Manju Oswal (Member) | Non-Executive Non-Independent Director | 5 |
| Mr. Sanjeev Joshi (Member) (upto 14.09.2023) | Non-Executive Independent Director | 2 |
| Mrs. Sanchi Taneja (Chairperson) (w.e.f. 28.03.2024) | Non-Executive Independent Director | 3 |
| Mr. Rohit Jain (Member) (w.e.f 28.03.2024) | Non-Executive Independent Director | — |

Note:

Audit Committee has been reconstituted via appointment of Mrs. Sanchi Taneja as chairperson and appointment of Mr. Rohit Jain as member of the committee w.e.f 28.03.2024.

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, Mrs. Manju Oswal and Mrs. Sanchi Taneja. Mrs. Manju Oswal is the Chairperson of the Committee. The Committee met four (4) times during the year on 30.05.2023, 08.08.2023, 09.11.2023 and 13.02.2024. The composition and attendance of committee is as under:

| Members | Category | Meetings Attended |
|---|---|--------------------------|
| <i>Mrs. Manju Oswal (Chairperson)</i> | <i>Non- Executive Director</i> | <i>4</i> |
| <i>Mr. Adish Oswal (Member)</i> | <i>Chairman & Managing Director</i> | <i>4</i> |
| <i>Mr. Sandeep Mehta (Member) (upto 28.03.2024)</i> | <i>Non-Executive Director</i> | <i>4</i> |
| <i>Mrs. Sanchi Taneja (Member) (w.e.f 28.03.2024)</i> | <i>Non-Executive Director</i> | <i>—</i> |

During the financial year 2023-24, the Company has received only 2 complaints which were resolved.

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

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, two (2) committee meeting were held on 18.07.2023 and 28.03.2024. The composition of committee and attendance is given hereunder:

| Members | Category | Meetings Attended |
|--|---|--------------------------|
| <i>Mr. Sandeep Mehta (Chairman)</i> | <i>Non-Executive Independent Director</i> | <i>2</i> |
| <i>Mrs. Manju Oswal (Member)</i> | <i>Non-Executive Non-Independent Director</i> | <i>2</i> |
| <i>Mr. Sanjeev Joshi (Member) (upto 18.07.2023)</i> | <i>Non-Executive Independent Director</i> | <i>-</i> |
| <i>Mrs. Sanchi Taneja (Member) (w.e.f. 18.07.2023)</i> | <i>Non-Executive Independent Director</i> | <i>1</i> |

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 31.03.2024:

| Sr. No. | Name | Designation |
|---------|----------------------------|--------------------------------|
| 1 | Mr. Ajay K. Ratra | Company Secretary |
| 2 | Mr. Radhamohan Soni | Chief Financial Officer |
| 3 | Mr. Amit Pandey | G.M. (Operations) |
| 4 | Mr. Vijay Kumar Arora | Vice President (Commercial) |
| 5 | Mr. Parvinder Singh Bharaj | Group Head- Security and Admin |

Changes in Senior Management:

| Sr. No. | Name | Reason for change |
|---------|---------------------------------|-------------------|
| 1 | Mr. Sanjeev Kumar Budhiraja | Resignation |
| 2 | Mr. Amitabh Singh Dagar | Resignation |
| 3 | Mr. Abhay Janardhan Munje | Resignation |
| 4 | Mr. Rajesh Lakshmanan | Resignation |
| 5 | Mr. Sudipta Kumar Bhattacharyya | Resignation |

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: <https://www.oswalgroup.com/images/recordupload/determination-of-material-subsiary-policy-2022.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 |
|----------------------|--|---|----------------------------|
| 43 rd AGM | Friday, 18 th day of August, 2023 at 11:00 AM | Regd. Office:Vardhman Park, Chandigarh Road, Ludhiana - 141 123 | 2 |
| 42 nd AGM | Monday, 26 th day of September, 2022 at 11:00 AM | Regd. Office:Vardhman Park, Chandigarh Road, Ludhiana - 141 123 | 1 |
| 41 st AGM | Wednesday, 29 th day of September, 2021 at 11:00 AM | Regd. Office:Vardhman Park, Chandigarh Road, Ludhiana - 141 123 | 1 |

Postal Ballot: During the year 2023-24, the Company has not passed any resolution through postal ballot. However, Notice of Postal Ballot was issued on 28.03.2024 and resolutions were passed on 04.05.2024.

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 (Punjabi).

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

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: <https://www.oswalgroup.com/images/recordupload/policy-on-dealing-with-related-party-transactions-2022.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 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. Securities of the Company have not been suspended for trading at any point of time during the year.

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: <https://www.oswalgroup.com/images/recordupload/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:

| <u>S. No.</u> | <u>Name of Entity</u> | <u>Relationship with VPL</u> | <u>Details of Services</u> | <u>Amount (Rs.Lakh)</u> |
|---------------|--------------------------|------------------------------|----------------------------|-------------------------|
| 1 | Vardhman Polytex Limited | - | Statutory Audit | 10.50 |
| 2 | Vardhman Polytex Limited | - | Tax Audit | 1.50 |
| 3 | Vardhman Polytex Limited | - | Out of pocket expenses | 0.22 |
| | Total | | | 12.22 |

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 last 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) **44th Annual General Meeting**

| | | |
|-------|---|---|
| Date | : | Friday, 27 th September, 2024 |
| Time | : | 11:00 A.M. |
| Venue | : | Vardhman Park, Chandigarh Road, Ludhiana-141123 |

II) **Financial Year** : 1st April, 2023 to 31st March, 2024

III) **Financial Calendar for 2023-24 (Results were announced in):**

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

IV) **Financial Calendar for 2024-25 (Tentative):**

| | | |
|-------------------------------|---|----------------|
| First Quarter Results | : | August, 2024 |
| Second Quarter Results | : | November, 2024 |
| Third Quarter Results | : | February, 2025 |
| Fourth Quarter/Annual Results | : | May, 2025 |

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 2023-24 and also for the year 2024-25.

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 2023-24 are given below:-

| FINANCIAL YEAR 2023-24 (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 | 46.80 | 25.20 | 41.35 | 61209.46 | 58793.08 | 61112.44 | 46.45 | 25.00 | 40.90 | 18089.15 | 17312.75 | 18065.00 |
| MAY | 50.59 | 37.05 | 48.00 | 63036.12 | 61002.17 | 62622.24 | 49.85 | 37.00 | 47.95 | 18662.45 | 18042.40 | 18534.40 |
| JUNE | 54.89 | 45.85 | 50.80 | 64768.58 | 62359.14 | 64718.56 | 55.00 | 45.65 | 50.80 | 19201.70 | 18464.55 | 19189.05 |
| JULY | 64.82 | 49.78 | 61.02 | 67619.17 | 64836.16 | 66527.67 | 64.65 | 50.80 | 56.15 | 19991.85 | 19234.40 | 19753.80 |
| AUGUST | 74.00 | 59.00 | 61.88 | 66658.12 | 64723.63 | 64831.41 | 73.80 | 53.95 | 61.90 | 19795.60 | 19223.65 | 19253.80 |
| SEPTEMBER | 63.71 | 57.50 | 57.50 | 67927.23 | 64818.37 | 65828.41 | 63.70 | 57.85 | 57.85 | 20222.45 | 19255.70 | 19638.30 |
| OCTOBER | 62.70 | 47.80 | 50.69 | 66592.16 | 63092.98 | 63874.93 | 61.70 | 48.90 | 51.70 | 19849.75 | 18837.85 | 19079.60 |
| NOVEMBER | 65.38 | 51.70 | 61.40 | 67069.89 | 63550.46 | 66988.44 | 66.50 | 52.00 | 60.90 | 20158.70 | 18973.70 | 20133.15 |
| DECEMBER | 63.98 | 54.22 | 57.71 | 72484.34 | 67149.07 | 72240.26 | 64.40 | 54.70 | 57.00 | 21801.45 | 20183.70 | 21731.40 |
| JANUARY | 70.89 | 56.26 | 70.25 | 73427.59 | 70001.60 | 71752.11 | 70.40 | 55.40 | 70.40 | 22124.15 | 21137.20 | 21725.70 |
| FEBRUARY | 73.24 | 63.50 | 67.44 | 73413.93 | 70809.84 | 72500.30 | 74.00 | 63.55 | 66.00 | 22297.50 | 21530.20 | 21982.80 |
| MARCH | 85.92 | 64.13 | 75.10 | 74245.17 | 71674.42 | 73651.35 | 86.35 | 65.10 | 74.75 | 22526.60 | 21710.20 | 22326.90 |

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 , Website: 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 INE835A01029. 98.86% of the paid up equity share capital comprising 2,69,82,035 shares were dematerialized as on 31st March, 2024.

XI) Distribution of Shareholding as on 31st March, 2024:

| Range (No. of shares) | Shareholders | | Shares | |
|--------------------------|--------------|---------------|--------------------|---------------|
| | Numbers | %age | Numbers | %age |
| Upto 500 | 11998 | 89.73 | 1372452 | 5.03 |
| 501 - 1000 | 670 | 5.01 | 552433 | 2.02 |
| 1001 - 5000 | 479 | 3.58 | 1089470 | 3.99 |
| 5001 - 10000 | 77 | 0.58 | 542017 | 1.99 |
| 10001 & Above | 147 | 1.10 | 23724585 | 86.97 |
| Total | 13371 | 100.00 | 2,22,90,957 | 100.00 |

XII) Shareholding Pattern of the Company:

| Sr. No. | Category of the shareholders | As on 31 st March, 2024 | |
|---------|--|------------------------------------|----------------|
| | | No. of Shares | %age |
| 1. | Promoters/Promoter Group | 1,34,09,791 | 49.14% |
| 2. | Foreign Portfolio Investors (FPIs) category II | 1,03,137 | 0.38% |
| 3. | Mutual Funds & UTI | 1,800 | 0.01% |
| 4. | Banks, Financial Institutions, Insurance Co. | 0 | 0.00% |
| 5. | Bodies Corporate | 13,81,391 | 5.06% |
| 6. | Indian Public | 1,19,78,404 | 43.89% |
| 7. | NRIs, OCBs, FII | 1,04,975 | 0.38% |
| 8. | Any other (HUF, Clearing Member) | 3,11,459 | 1.14% |
| | Total | 2,72,90,957 | 100.00% |

XIII) Outstanding GDRs/ADRs/Warrants:

As on 31.03.2024, there were no outstanding GDRs/ ADRs. However, the Company is having outstanding 2% unsecured Foreign Currency Convertible Bonds (FCCBs) for the amount of USD 2,16,116.

On 27th June, 2023, 1,30,00,000 warrants were allotted to the non-promoters on preferential basis. These warrants were convertible into equivalent number of equity shares of Rs. 10 each at a premium of Rs. 30.50 per share within 18 months from the date of allotment. 50,00,000 warrants were converted into equity shares during the year and the remaining 80,00,000 warrants are pending for conversion as on 31.03.2024. Due to sub-division/split of equity shares of Rs. 10/- each into 10 shares of Re. 1/- each on 18th May, 2024, pending 80,00,000 warrants will be convertible into 8,00,00,000 shares of Re. 1 each and these warrants can be converted into equity shares on or before 26th of December, 2024 as per terms.

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 expositors and takes required actions from time to time to minimize the impact of fluctuations.

XV) Plant/Unit Locations:

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

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

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 Dividend:

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 31st March, 2024.

Date: 14.08.2024
Place: Ludhiana

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

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 31st March, 2024, 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

Place: Ludhiana
Dated: August 06, 2024

Sd/-
Ruchir Singla
Partner
Membership no. 519347
UDIN: 24519347BKFJNZ6612

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 31st March, 2024 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: 27.05.2024

(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, 2024, 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, 2024, the profit 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 Lacs 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 216,116 USD as on March 31, 2024 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).

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 Lacs.

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, 2024. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|--|
| 1. | <p>Evaluation of uncertain tax positions</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 Notes to the Ind AS Financial Statements</p> | <p>Principal Audit Procedures:</p> <p>Obtained details of completed tax assessments and demands till the year ended March 31, 2024 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> |

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion

and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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.

Responsibility of Management and Those Charged with Governance 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the respective 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 Management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are 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 SA’s 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 SA’s, 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 management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of the Company of which we are the independent auditors.

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

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

We also provide 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. 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations as at 31 March 2024 on the financial position of the company. Refer note 39 to the financial statements.
- ii) The Company has long-term contracts as at March 31, 2024 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2024.
- iii). There are no amounts to be transferred to the Investor Education and Protection Fund by the company.
- iv) (a) The management has represented that, to the best of its knowledge and belief, 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 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 by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) 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 shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The Company has neither declared nor paid any dividend during the year.
- (vi) Based on our examination, which included test checks, the company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (Edit Log) facility and the same has operated throughout the year, for all relevant transactions recorded in the software's. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-
Ruchir Singla
Partner

Place - Ludhiana

Dated – May 27, 2024

M. No. 519347

UDIN - 24519347BKJML5782

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1(f) under "Report on other legal and regulatory requirements" section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **VARDHMAN POLYTEX LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to

financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

Ruchir Singla
Partner

M. No. 519347

Place - Ludhiana
Dated – May 27, 2024

UDIN - 24519347BKFJML5782

ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i). In respect of the Company’s Property, Plant and Equipment and Intangible 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 proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules 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, during the year 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.
- (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 | 6.50 Lacs | Loan |
| - Others | Nil | NA |

- b) The terms and conditions of the grant of all the above-mentioned loans to employees during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- c) According to the information and explanations given to us and on the basis of our examination of 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 3.55 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 3.55 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 overdue 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. Hence reporting under clause (iii)(f) is not applicable.
- (iv). According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.
- (v). The company has not accepted any deposits or amounts which are deemed deposit from the public. Accordingly, clause (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. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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, 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 except for Provident Fund which is outstanding for a period exceeding six months as on March 31, 2024.

There were no undisputed amounts payable in respect of Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable except for the Provident Fund which is outstanding to be deposited for the period of more than six months as on March 31, 2024 to the extent of ₹ 117.66 Lacs. Out of this ₹ 82.41 Lacs has been deposited as on date of the Audit report.

- (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, 2024 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. |
| Income Tax Act | Income tax | 1998-99 to 2002-2003, 2007-2008, 2016-2017, 2017-2018 | 10476.02 | 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 | 3430.37 | DCIT (TDS) | - | Failure to deduct TDS u/s 271C |
| | Income tax | 2016-17 | 203.21 | 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. |

| 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 |
|---------------------|----------------|-----------------------------|-------------------|--------------------------------|------------------|--|
| | 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 (43 of 1961) as income during the year.

(ix) (a) In our opinion and according to the information and explanations given to us as on March 31, 2024, the Company has defaulted in the repayment of dues to Phoenix ARC as per the LOA's signed to the tune of ₹ 5.37 Cr, out of which ₹ 3.02 Cr has been paid as on date of signing of financial statements and the audit report.

Also, in respect of Foreign Currency Convertible Bonds (FCCB), the instalment as settled with Axis bank pertaining to March 2024 amounting to USD 1,08,058 is in default as on March 31, 2024.

- (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, (x)(a) of the Order is not applicable.

b) During the current year 130,00,000 share warrants have been issued to non- promoters. Out of which equity shares have been allotted on conversion of 50,00,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, balance 80,00,000 convertible warrants stand pending for conversion according to the terms.

(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 or reported 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 during the year and upto the date of this report.

(c) The auditor has not received any complaints from whistle-blower during the year. Therefore, reporting under clause (xi)(c) of the order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(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) In our opinion, the Company has an adequate 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 its directors 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 (xvi)(a), (b) and (c) of the order are not applicable to company hence not commented upon.

The Company does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) Based on the procedure performed and information and explanation given by the management the company has incurred cash loss in the current financial year amounting to ₹ 1660.14 Lacs and there was no cash loss in previous financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year.

(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 indicating that 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 (xx)(a) and (xx)(b) of the Order are not applicable.

(xxi) The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Sd/-

Ruchir Singla
Partner

M. No. 519347

Place - Ludhiana

Dated – May 27, 2024

UDIN - 24519347BKFJML5782

BALANCE SHEET AS AT 31ST MARCH 2024

(₹ in Lakh)

| | Note No. | As at 31 March 2024 | As at 31 March 2023 |
|---|----------|------------------------|------------------------|
| I Assets | | | |
| 1 Non current assets | | | |
| a) Property, plant and equipment | 2 | 12,885.64 | 15,420.18 |
| b) Investment Property | 2(a) | 68.32 | 455.86 |
| c) Capital work-in-progress | 2(b) | - | - |
| d) Other intangible assets | 2 | 2.31 | 3.04 |
| e) Financial assets | | | |
| i) Investments | 3 | 0.62 | 0.62 |
| ii) Loans | 4 | - | - |
| iii) Other financial assets | 5 | 618.17 | 843.44 |
| iv) Trade Receivables | 6 | 541.48 | 532.32 |
| f) Deferred tax assets (net) | 7 | 5,016.18 | 5,016.18 |
| g) Other non-current assets | 8 | 70.43 | 31.54 |
| Total Non Current Assets | | 19,203.15 | 22,303.17 |
| 2 Current assets | | | |
| a) Inventories | 9 | 1,681.23 | 1,592.72 |
| b) Financial assets | | | |
| i) Trade and other receivables | 10 | 3.57 | 18.57 |
| ii) Cash and cash equivalents | 11 | 106.00 | 30.41 |
| iii) Bank balances other than above | 12 | 5.00 | 13.20 |
| iv) Loans | 13 | 6.50 | 11.73 |
| v) Other financial assets | 14 | 42.24 | 36.52 |
| c) Current tax assets | 15 | 548.20 | 469.59 |
| d) Other current assets | 16 | 4,955.47 | 4,665.39 |
| e) Assets held for sale | 16A | 1,009.04 | - |
| Total Current Assets | | 8,357.25 | 6,838.13 |
| TOTAL ASSETS | | 27,560.40 | 29,141.31 |
| II EQUITY AND LIABILITIES | | | |
| 1 EQUITY | | | |
| a) Equity share capital | 17 | 2,729.10 | 2,229.10 |
| b) Other equity | 18 | (38,832.86) | (38,459.77) |
| Total Equity | | (36,103.76) | (36,230.67) |
| 2 Non-current liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 19 | 4,512.71 | - |
| b) Long term provisions | 20 | 198.31 | 264.56 |
| c) Other non-current liabilities | 21 | 33,466.39 | 0.53 |
| Total Non Current Liabilities | | 38,177.41 | 265.09 |
| 3 Current liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 22 | 3,106.25 | 44,748.44 |
| ii) Trade payables | 23 | - | - |
| - Total Outstanding dues of Micro enterprises and Small enterprises | | - | - |
| - Total Outstanding dues of trade payables other than Micro enterprises and Small enterprises | | 18,615.24 | 14,343.79 |
| iii) Other financial liabilities | 24 | 1,991.76 | 4,077.10 |
| b) Other current liabilities | 25 | 1,406.08 | 915.23 |
| c) Short term provisions | 26 | 367.42 | 1,022.33 |
| Total Current Liabilities | | 25,486.75 | 65,106.89 |
| TOTAL EQUITY AND LIABILITIES | | 27,560.40 | 29,141.31 |

Significant accounting policies ¹
The accompanying notes form 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- 24519347BKFJML5782

Sd/-
Manju Oswal
Director
DIN-00009449

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

Place: Ludhiana
Date: 27th May 2024

Sd/-
Ajay K. Ratra
Company Secretary

Sd/-
Radhamohan Soni
Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in Lakh)

| Particulars | Notes No. | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--|-----------|----------------------------------|----------------------------------|
| Revenue | | | |
| Revenue from operations | 27 | 37,063.81 | 61,551.04 |
| Other incomes | 28 | 2,897.18 | 615.82 |
| Total Income (I) | | 39,960.99 | 62,166.86 |
| Expenses | | | |
| Cost of material consumed | 29 | 32,034.82 | 46,825.84 |
| Purchase of traded goods | 30 | - | 4,088.19 |
| Changes in inventories of finished goods | 31 | 471.75 | 2,126.15 |
| Employee benefit expense | 32 | 3,828.45 | 4,518.37 |
| Finance costs | 33 | 335.25 | 5,340.09 |
| Depreciation and amortization expense | 2 | 1,047.95 | 1,219.39 |
| Power & Fuel Cost | 34 | 3,473.75 | 4,462.72 |
| Other expenses | 34 | 1,445.00 | 3,156.60 |
| Total expenses (II) | | 42,636.97 | 71,737.35 |
| Profit before exceptional items and tax (I-II = III) | | (2,675.98) | (9,570.49) |
| Exceptional items (IV)/(Income) | 35 | - | (9,719.63) |
| Profit before tax (III - IV = V) | | (2,675.98) | 149.14 |
| Tax expense (VI) | | | |
| Current tax | | - | - |
| Deferred tax (credit) | | - | - |
| Profit for the period from continuing operations After Tax (V - VI = VII) | | (2,675.98) | 149.14 |
| Other Comprehensive Income (VIII) | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurement of defined benefit obligation | | (32.11) | (23.81) |
| Total Comprehensive Income for the period (VII + VIII = IX) | | (2708.09) | 125.33 |
| (Comprising Profit (Loss) and Other Comprehensive income for the period) | | | |
| Earnings per equity share | 38 | | |
| Basic | | (10.83) | 0.67 |
| Diluted | | (8.31) | 0.67 |

The accompanying notes form 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- 24519347BKJML5782

Sd/-

Manju Oswal

Director

DIN-00009449

Sd/-

Adish Oswal

Chairman & Managing Director

DIN-00009710

Sd/-

Ajay K. Ratra

Company Secretary

Sd/-

Radhamohan Soni

Chief Financial Officer

Place: Ludhiana

Date: 27th May 2024

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2024

(₹ in Lakh)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| A. Cash flow from Operating Activities: | | |
| Net profit before tax | (2,675.98) | 149.14 |
| Adjustments for: | | |
| Add: | | |
| Depreciation and amortisation | 1,047.95 | 1,219.39 |
| Finance costs | 335.25 | 5,340.09 |
| Foreign currency monetary item translation difference (net) | 3.68 | 43.49 |
| Sundry balance written off | - | (14.10) |
| Net Loss on sale / discarding of fixed assets | - | 8.39 |
| Less: | | |
| Interest income | (75.45) | (35.22) |
| Amount written back under OTS | - | (9,719.63) |
| Net Profit on sale / discarding of fixed assets | (1,687.58) | - |
| Provisions for Doubtful Debts written back | (380.33) | - |
| Provisions no longer required written back | (1,274.00) | - |
| Operating Profit before Working Capital changes | (4,706.46) | (3,008.45) |
| Adjustments for changes in Working Capital : | | |
| - Increase/(decrease) in trade payables and other Liabilities | 3,213.30 | 4,668.16 |
| - (Increase)/decrease in trade receivables and other receivables | 203.36 | (412.35) |
| - (Increase)/decrease in inventories | (88.51) | 2,782.77 |
| Cash generated from Operating Activities | (1,378.31) | 4,030.13 |
| - Taxes (paid) (net of tax deducted at source) | - | - |
| Net cash (used in)/ generated from Operating Activities | (1,378.31) | 4,030.13 |
| B. Cash flow from Investing Activities: | | |
| Purchase of fixed assets | (17.31) | (121.62) |
| Sale of fixed assets | 2,570.71 | 21.61 |
| Interest received | 75.45 | 35.22 |
| Net Cash from Investing Activities | 2,628.85 | (64.79) |
| C. Cash flow from Financing Activities: | | |
| Repayment of short term borrowings | (1,973.83) | (3,384.32) |
| Repayment of long term borrowings | (1,941.22) | (99.08) |
| Interest paid | (103.10) | (452.94) |
| Proceeds from share warrants issued | 2,835.00 | - |
| Net Cash from Financing Activities | (1,183.15) | (3,936.34) |
| Net Increase/(Decrease) in cash & cash equivalents | 67.39 | 29.00 |
| Cash and cash equivalents as at 1st April (Opening Balance) | 43.61 | 14.61 |
| Cash and cash equivalents as at 31st March (Closing Balance) | 111.00 | 43.61 |
| Cash and cash equivalents comprise | | |
| Cash & cheques in hand | 64.28 | 5.43 |
| Balance with banks | 46.72 | 38.18 |
| | 111.00 | 43.61 |

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- 24519347BKFJML5782

Sd/-
Manju Oswal
Director
DIN-00009449

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

Place: Ludhiana
Date: 27th May 2024

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, 2024

a. Equity share capital (₹ in lakh)

| Particulars | Number of Shares | Amount |
|--|--------------------|-----------------|
| Paid up Capital | | |
| Balance as at April 1, 2022 | 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 | - | - |
| Balance as at April 1, 2023 | 2,22,90,957 | 2,229.10 |
| Changes in Equity share capital due to prior period errors | - | - |
| Restated balance as at 2023 | - | - |
| Changes during the year* | 50,00,000 | 500.00 |
| Balance as at March 31, 2024 | 2,72,90,957 | 2,729.10 |
| Add:- Forfeited Shares in earlier years | - | - |
| Total Equity Share Capital | 2,72,90,957 | 2,729.10 |

*During the current year, 130,00,000 share warrants have been issued to non-promoters. Out of this equity shares have been allotted on conversion of 50,00,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, balance 80,00,000 convertible warrants stand pending for conversion according to the terms.

b. Other Equity (₹ in lakh)

| Particulars | Reserves and Surplus | | | Items of other comprehensive income | Money received against Share Warrants | Total |
|--|----------------------|--------------------|----------------------|-------------------------------------|---------------------------------------|-------------|
| | General reserve* | Security premium** | Retained earnings*** | | | |
| Balance at April 1, 2022 | 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 | - | - | - | - | - | - |
| Additions 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 |
| Balance at March 31, 2023 | 9,865.25 | 7,731.06 | (55,877.63) | (178.44) | - | (38,459.77) |
| Balance at April 1, 2023 | 9,865.25 | 7,731.06 | (55,877.63) | (178.44) | - | (38,459.77) |
| Changes in Equity share capital due to prior period errors | - | - | - | - | - | - |
| Restated balance as at April 1,2023 | - | - | - | - | - | - |
| Additions for the year # | - | 1,525.00 | (2,675.98) | - | 810 | (340.98) |
| Other comprehensive income for the year, net of income tax | - | - | - | (32.11) | - | (32.11) |
| Changes in provision for tax written off | - | - | - | - | - | - |
| Total comprehensive income for the year | - | 1,525.00 | (2,675.98) | (32.11) | 810.00 | (373.09) |
| Balance at March 31, 2024 | 9,865.25 | 9,256.06 | (58,553.61) | (210.55) | 810.00 | (38,832.86) |

During the current year, 130,00,000 share warrants have been issued to non-promoters. Out of this equity shares have been allotted on conversion of 50,00,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, balance 80,00,000 convertible warrants stand pending for conversion according to the terms. The additions to security premium pertains to issue of these 50,00,000 equity shares.

* 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 2024

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 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.

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 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 2024
2 Property, Plant & Equipment
a) As at 31st March 2024

| | (₹ 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 |
| Cost | | | | | | | | | | | |
| As at 1st April 2023(Refer Note (a)) | 136.77 | 2,444.85 | 12,958.03 | 40,771.31 | 229.71 | 251.65 | 306.26 | 598.28 | 57,696.86 | 10.94 | 10.94 |
| Additions | - | - | 2.50 | 5.50 | 5.10 | - | - | 4.21 | 17.31 | - | 17.31 |
| Relating to disposals | - | - | (5.84) | (4,730.63) | (0.52) | (0.13) | (130.18) | - | (4,867.30) | - | (4,867.30) |
| Transfer from | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to** | - | - | - | (14,370.08) | - | - | - | - | (14,370.08) | - | (14,370.08) |
| Adjustment | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March 2024 | 136.77 | 2,444.85 | 12,954.69 | 21,676.10 | 234.29 | 251.52 | 176.08 | 602.49 | 38,476.79 | 10.94 | 10.94 |
| Depreciation | | | | | | | | | | | |
| As at 1st April 2023(Refer Note (a)) | - | - | 6,097.84 | 34,945.71 | 204.82 | 231.97 | 285.90 | 510.44 | 42,276.68 | 7.90 | 7.90 |
| Charge for the year | - | - | 353.97 | 663.32 | 5.41 | 2.81 | 4.11 | 14.97 | 1,044.59 | 0.73 | 0.73 |
| Relating to disposals | - | - | (2.21) | (4,242.57) | (0.50) | (0.13) | (123.67) | - | (4,369.08) | - | (4,369.08) |
| Transfer from | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to** | - | - | - | (13,361.04) | - | - | - | - | (13,361.04) | - | (13,361.04) |
| Adjustment | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March 2024 | - | - | 6,449.60 | 18,005.42 | 209.73 | 234.65 | 166.34 | 525.41 | 25,591.15 | 8.63 | 8.63 |
| Net block | | | | | | | | | | | |
| As at 31st March 2024 | 136.77 | 2,444.85 | 6,505.09 | 3,670.68 | 24.56 | 16.87 | 9.74 | 77.08 | 12,885.64 | 2.31 | 2.31 |

b) 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 |
| Cost | | | | | | | | | | | |
| 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 | 10.94 |
| 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) |
| 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 | 10.94 |
| Depreciation | | | | | | | | | | | |
| 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 | 7.17 |
| Charge for the year | - | - | 357.44 | 824.03 | 6.07 | 3.52 | 5.69 | 12.07 | 1,208.82 | 0.73 | 0.73 |
| Relating to disposals | - | - | - | (533.79) | - | - | (25.49) | - | (559.28) | - | (559.28) |
| 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 | 7.90 |
| Net Block | | | | | | | | | | | |
| 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 | 3.04 |

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.

c) **The company has shut down the operations of Bathinda Plant owing to obsolete nature of Plant & Machinery. The Company intends to dispose off all such plant & Machinery in next 12 months, no impairment loss was recognized on the reclassification of assets as held for sale, as the Company expects that the sale consideration less cost to sell is higher than the carrying amount. The Company has also received an advance pertaining to these assets, which has been classified under "other current liabilities".

2 (a) Investment Property

(₹ in Lakh)

| | Building | |
|---|---------------|---------------|
| | Amount | Amount |
| Cost | | |
| As at 1st April 2023 & 2022 | 631.55 | 631.55 |
| Additions | - | - |
| Relating to disposals | (527.19) | - |
| As at 31st March 2024 & March 2023 | 104.36 | 631.55 |
| Depreciation | | |
| As at 1st April 2023 & 2022 | 175.69 | 165.85 |
| Charge for the year | 2.63 | 9.84 |
| Relating to disposals | (142.28) | - |
| Adjustment | - | - |
| As at 31st March 2024 & March 2023 | 36.04 | 175.69 |
| Net block | | |
| As at 31st March 2024 & March 2023 | 68.32 | 455.86 |

2(b) Capital work-in-progress

(₹ in Lakh)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------------------|-------------------------------------|-------------------------------------|
| Capital Work in Progress | - | - |
| Total | - | - |

3 Financial Assets: Non Current Investments

(₹ in Lakh)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| A. Unquoted Investments | | |
| (Financial Assets carried at cost, except for permanent diminution in value) | | |
| I. Equity Instruments in Others | | |
| (a) Oswal Industrial Enterprise (P) Ltd | | |
| 1,000 (Previous Year-1,000) equity shares of Rs.10 each fully paid | 0.09 | 0.09 |
| (b) VKM Colour Spin Limited | | |
| 250 (Previous Year-250) equity shares of Rs. 10 each fully paid | 0.03 | 0.03 |
| (c) Deluxe Fabrics Limited | | |
| 5000 (Previous Year- 5000) equity shares of Rs. 10 each fully paid | 0.50 | 0.50 |
| | <u>0.62</u> | <u>0.62</u> |
| Total aggregate Investments | 0.62 | 0.62 |
| Total investment carrying value | 0.62 | 0.62 |
| Aggregate amount of unquoted investments | 0.62 | 0.62 |

4 Financial Assets: Loans (Non Current)

(₹ in Lakh)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|------------------------------------|------------------------|------------------------|
| Carried at amortised cost | | |
| (a) Loan to others | 10.00 | 10.00 |
| Less: Provision for doubtful loans | (10.00) | (10.00) |
| Total | - | - |

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

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| (a) Security | | |
| Security Deposit With P&T | 1.76 | 1.76 |
| Security deposit with government authorities | 608.74 | 830.12 |
| Security Deposit-Others* | 7.67 | 11.11 |
| (c) Fixed deposits (With more than 12 months Maturity)* | - | 0.45 |
| Total | 618.17 | 843.44 |

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

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

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Receivable from Others | | |
| - Unsecured, Considered Good : | 541.48 | 532.32 |
| - Doubtful | 499.86 | 880.20 |
| Less: Allowance for doubtful receivable | (499.86) | (880.20) |
| Total Long Term Debtors | 541.48 | 532.32 |

(a) Ageing as at 31.03.2024 (₹ 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 | - | - | 41.59 | 402.62 | 87.79 | 532.00 |
| 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 | - | - | - | - | 281.32 | 281.32 |
| Disputed Trade Receivables –credit impaired | - | - | - | - | 228.02 | 228.02 |
| | - | - | 41.59 | 402.62 | 597.13 | 1041.34 |
| Less: Allowance for doubtful trade receivables - Billed | | | | | | 499.86 |
| Add: Not due as at 31.03.2024 | | | | | | - |
| Net Trade Receivables | | | | | | 541.48 |

(b) 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 | - | - | - | 0.00 | 661.66 | 661.66 |
| disputed Trade Receivables –credit impaired | - | - | - | - | 228.02 | 228.02 |
| | - | - | 328.13 | 68.83 | 1015.56 | 1412.52 |
| Less: Allowance for doubtful trade receivables - Billed | | | | | | 880.20 |
| Add: Not due as at 31.03.2023 | | | | | | - |
| Net Trade Receivables | | | | | | 532.32 |

| 7 Deferred Tax (NET) | | (₹ in Lakh) | |
|--|-------------------------|-------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Deferred tax liabilities | | | |
| Arising on account of timing difference : | | | |
| Opening | 1,532.35 | 1,966.94 | |
| Accumulated depreciation | 404.39 | (434.59) | |
| Total (A) | <u>1,936.74</u> | <u>1,532.35</u> | |
| Deferred tax assets | | | |
| Arising on account of timing difference : | | | |
| Opening | (6,548.53) | (6,983.12) | |
| Unabsorbed depreciation/Brought forward losses | (404.39) | 434.59 | |
| Others | - | - | |
| Total (B) | <u>(6,952.92)</u> | <u>(6,548.53)</u> | |
| Net deferred tax liability/(Assets) (A) + (B) | <u><u>-5,016.18</u></u> | <u><u>-5,016.18</u></u> | |

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, 2024. Based on the company's virtual certainty of the profit, the company is carrying a deferred tax asset of Rs. 5,016.18 lakh as on March 31, 2024. 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.

| 8 Other non current assets | | (₹ in Lakh) | |
|------------------------------|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Capital advances | | | |
| Unsecured - considered good* | 70.43 | 31.54 | |
| Total | <u>70.43</u> | <u>31.54</u> | |

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

| 9 Inventories (valued at lower of cost or net realizable value) | | (₹ in Lakh) | |
|---|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Raw materials | 843.74 | 264.28 | |
| Work in progress | 470.19 | 843.34 | |
| Finished goods | 272.02 | 370.62 | |
| Stores & spares parts | 95.28 | 114.48 | |
| Total | <u>1,681.23</u> | <u>1,592.72</u> | |

| 10 Financial assets: Trade receivables (Current) | | (₹ in Lakh) | |
|--|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Receivable from Others | | | |
| -Unsecured, Considered Good : | 1,044.91 | 1,431.09 | |
| Less: Non Current Trade Receivable | 1,041.34 | 1,412.52 | |
| | <u>3.57</u> | <u>18.57</u> | |
| Less: Provision for doubtful debts | - | - | |
| Total | <u>3.57</u> | <u>18.57</u> | |

(A) Ageing as at 31.03.2024
(₹ 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 | 3.14 | 0.43 | - | - | - | 3.57 |
| 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 | - | - | - | - | - | - |
| | 3.14 | 0.43 | - | - | - | 3.57 |
| Less: Allowance for doubtful trade receivables - Billed | | | | | | - |
| Add: Not due as at 31.03.2024 | | | | | | - |
| Net Trade Receivables | | | | | | 3.57 |

(B) 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 |
| Less: Allowance for doubtful trade receivables - Billed | | | | | | - |
| Add: Not due as at 31.03.2023 | | | | | | - |
| Net Trade Receivables | | | | | | 18.57 |

11 Financial assets: Cash and cash equivalents
(₹ in Lakh)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|----------------------------------|---------------------|---------------------|
| Cash and Cash Equivalents | | |
| Cash on hand | 64.28 | 5.43 |
| Bank balances: | | |
| in current accounts | 41.72 | 24.98 |
| Total | 106.00 | 30.41 |

| 12 Financial assets: Bank balances other than above | | (₹ in Lakh) | |
|---|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Bank balances: | | | |
| Fixed deposits (More than 3 months but less than 12 months maturity)* | 5.00 | 13.20 | |
| Total | 5.00 | 13.20 | |

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

| 13 Financial Assets: Loans (Current) | | (₹ in Lakh) | |
|--------------------------------------|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Carried at amortised cost | | | |
| (a) Other loans | | | |
| Loans to employees | | | |
| Un Secured - considered good | 6.50 | 11.73 | |
| Total | 6.50 | 11.73 | |

| 14 Other financial assets (Current) | | (₹ in Lakh) | |
|-------------------------------------|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Interest receivable | 39.57 | 31.85 | |
| Others | 2.67 | 4.67 | |
| Total | 42.24 | 36.52 | |

| 15 Current tax assets | | (₹ in Lakh) | |
|-------------------------|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Direct Taxes Refundable | 548.20 | 469.59 | |
| Total | 548.20 | 469.59 | |

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 2024 | As at 31 March 2023 | |
| Advance to employees | 0.05 | 0.02 | |
| Balances with Government Authorities | 4,928.85 | 4,515.35 | |
| Less: Provision against Govt receivable | (448.75) | (448.75) | |
| Prepaid expenses | 26.44 | 39.89 | |
| Others | 448.88 | 558.88 | |
| Total | 4,955.47 | 4,665.39 | |

a) Balance with Government authorities includes Rs. 71.76 lakh (Previous Year Rs. 71.76 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.

16A Assets Held for sale (₹ in Lakh)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------|------------------------|------------------------|
| Plant & Machinery held for sale | 1,009.04 | - |
| Total | 1,009.04 | - |

The company has shut down the operations of Bathinda Plant owing to obsolete nature of Plant & Machinery. The Company intends to dispose off all such plant & Machinery in next 12 months, no impairment loss was recognized on the reclassification of assets as held for sale, as the Company expects that the sale consideration less cost to sell is higher than the carrying amount. The Company has also received an advance pertaining to these assets, which has been classified under “other current liabilities”.

17 Equity Share Capital (₹ in Lakh)

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Number of shares | Amount ₹ in Lakh | Number of shares | Amount ₹ in Lakh |
| Authorised Share Capital | | | | |
| Equity share of Rs. 10 each | 7,00,00,000 | 7,000.00 | 7,00,00,000 | 7,000.00 |
| Total | 7,00,00,000 | 7,000.00 | 7,00,00,000 | 7,000.00 |
| Issued & Subscribed Share Capital | | | | |
| 2,73,54,484 (Previous year 2,23,54,484 equity shares of Rs.10 each) | 2,73,54,484 | 2,735.45 | 2,23,54,484 | 2,235.45 |
| Paid up Share Capital | | | | |
| 2,72,90,957 (Previous year 2,22,90,957 equity shares of Rs.10 each) | 2,72,90,957 | 2,729.10 | 2,22,90,957 | 2,229.10 |
| Forfeited shares in earlier years | - | - | - | - |
| Total | 2,72,90,957 | 2,729.10 | 2,22,90,957 | 2,229.10 |

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 2024 | | As at 31 March 2023 | |
|---|---------------------|-----------------|---------------------|-----------------|
| | No. of shares | ₹ in Lakh | No. of shares | ₹ in Lakh |
| Equity shares | | | | |
| At the beginning of the year | 2,22,90,957 | 2,229.10 | 2,22,90,957 | 2,229.10 |
| Add: | | | | |
| Shares allotted during the year | 50,00,000 | 500.00 | - | - |
| Outstanding at the end of reporting period (refer note no. a) | 2,72,90,957 | 2,729.10 | 2,22,90,957 | 2,229.10 |

Note:

- 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.
- During the current year, 130,00,000 share warrants have been issued to non-promoters. Out of this equity shares have been allotted on conversion of 50,00,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, balance 80,00,000 convertible warrants stand pending for conversion according to the terms.

17.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 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'2024, the amount of dividend recognized as distribution to equity shareholder was Rs. Nil (Previous year Rs. Nil)

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

| Name of equity shareholder | As at 31 March 2024 | | As at 31 March 2023 | |
|--|---------------------|-------|---------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| Panchsheel Textile Mfg. & Trdg. Co. (P) Ltd. | 44,26,917 | 16.22 | 44,26,917 | 19.86 |
| Alma Assets Consultancy (P) Ltd. | 43,62,325 | 15.98 | 43,62,325 | 19.57 |
| Altfort Merchants (P) Ltd. | 21,82,000 | 8.00 | 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, 2024 is as follows:

| Promoter Name* | As at 31 March 2024 | | As at 31 March 2023 | | |
|---|-----------------------|-------------------|-----------------------|-------------------|-------------|
| | No. of Shares** | % of total shares | No. of Shares | % of total shares | % |
| 1 Ashok Kumar Oswal | 1,27,748 | 0.47 | 1,27,748 | 0.57 | 0.00 |
| 2 Adish Oswal | 4,20,511 | 1.54 | 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 | 0.07 | 17,820 | 0.08 | 0.00 |
| 5 Abhinav Oswal | 14,307 | 0.05 | 14,307 | 0.06 | 0.00 |
| 6 Ashok Kumar (Huf) | 110 | 0.00 | 110 | 0.00 | 0.00 |
| 7 Manju Oswal | 52,694 | 0.19 | 52,694 | 0.24 | 0.00 |
| 8 Kent Investments Pvt Ltd | 46,950 | 0.17 | 46,950 | 0.21 | 0.00 |
| 9 Enakshi Investments Pvt Ltd | 3,70,250 | 1.36 | 3,70,250 | 1.66 | 0.00 |
| 10 Panchsheel Textile Manufacturing And Trdg Co.(P) Ltd | 44,26,917 | 16.22 | 44,26,917 | 19.86 | 0.00 |
| 11 Ruby Mercantile Company Pvt Ltd | 1,53,000 | 0.56 | 1,53,000 | 0.69 | 0.00 |
| 12 Calgary Investment And Trading Company Pvt Ltd | 67,300 | 0.25 | 67,300 | 0.30 | 0.00 |
| 13 Nightnagle Dealcom Private Limited | 6,60,000 | 2.42 | 6,60,000 | 2.96 | 0.00 |
| 14 Gagan Mercantile Company Pvt Ltd | 1,63,900 | 0.60 | 1,63,900 | 0.74 | 0.00 |
| 15 Pioneer Mercantile India Pvt Ltd | 49,350 | 0.18 | 49,350 | 0.22 | 0.00 |
| 16 Altfort Merchants Private Limited | 21,82,000 | 8.00 | 21,82,000 | 9.79 | 0.00 |
| 17 Liberty Mercantile Company Pvt Ltd | 1,20,550 | 0.44 | 1,20,550 | 0.54 | 0.00 |
| 18 Boras Investment And Trading Company Pvt Ltd | 32,860 | 0.12 | 32,860 | 0.15 | 0.00 |
| 19 Allepy Investment And Trading Company Pvt Ltd | 95,500 | 0.35 | 95,500 | 0.43 | 0.00 |
| 20 Adesh Investment And Trading Company Pvt Ltd | 35,100 | 0.13 | 35,100 | 0.16 | 0.00 |
| 21 Alma Assets Consultancy Private Limited | 43,62,325 | 15.98 | 43,62,325 | 19.57 | 0.00 |
| 22 Amrante Trust Through Rakhi Oswal, Trustee | 5,139 | 0.02 | 5,139 | 0.02 | 0.00 |
| Total | 1,34,09,791.00 | 49.14 | 1,34,09,791.00 | 60.16 | 0.00 |

* 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.

18. Other Equity

(₹ in lakh)

| Particulars | Reserves and Surplus | | | Items of other comprehensive income | Money received against Share Warrants | Total |
|--|----------------------|--------------------|----------------------|-------------------------------------|---------------------------------------|-------------|
| | General reserve* | Security premium** | Retained earnings*** | | | |
| Balance at April 1, 2022 | 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, 2023 | - | - | - | - | - | - |
| Additions 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 |
| Balance at March 31, 2023 | 9,865.25 | 7,731.06 | (55,877.63) | (178.44) | - | (38,459.77) |
| Balance at April 1, 2023 | 9,865.25 | 7,731.06 | (55,877.63) | (178.44) | - | (38,459.77) |
| Changes in Equity share capital due to prior period errors | - | - | - | - | - | - |
| Restated balance as at April 1, 2023 | - | - | - | - | - | - |
| Additions for the year # | - | 1,525.00 | (2,675.98) | - | 810 | (340.98) |
| Other comprehensive income for the year, net of income tax | - | - | - | (32.11) | - | (32.11) |
| Changes in provision for tax written off | - | - | - | - | - | - |
| Total comprehensive income for the year | - | 1,525.00 | (2,675.98) | (32.11) | 810.00 | (373.09) |
| Balance at March 31, 2024 | 9,865.25 | 9,256.06 | (58,553.61) | (210.55) | 810.00 | (38,832.86) |

During the current year, 130,00,000 share warrants have been issued to non-promoters. Out of this equity shares have been allotted on conversion of 50,00,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, balance 80,00,000 convertible warrants stand pending for conversion according to the terms. The additions to security premium pertains to issue of these 50,00,000 equity shares.

* 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 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Secured loans | | |
| Term loans | | |
| Rupee loan from Phoenix ARC (Refer note a to d below) | 7,425.64 | - |
| Rupee loan from Financial Institution | - | 42.80 |
| Total | 7,425.64 | 42.80 |
| Less : Amount disclosed under other current liability (refer note no. 22) | (2,912.93) | (42.80) |
| Grand total | 4,512.71 | - |

Terms & Conditions of Secured Loan Taken from bank and status of default at the year end as on 31.03.2024

| Types of Loan | Loan from Phoenix |
|--------------------------|-------------------|
| Balance As on 31.03.2024 | Rs. 7425.64 |
| Rate of Interest | 21.75% & 10.00% |
| Repayment Type | Monthly |
| Repayment Schedule | |
| 31.03.2025 | 2912.93 |
| 31.03.2026 | 2884.75 |
| 31.03.2027 | 1627.96 |

Details of security :-

- The lender banks have assigned their respective shares to Phoenix ARC (Sole lender now) through Assignment Agreements. The Company has accepted/ signed the letter of acceptance (LOA) of Phoenix ARC and the debt is repayable in monthly installments upto Sep., 2026 as per repayment schedule of LOA. As per the LOA, the liability will recast to the original amount in case of default. Taking a conservative view, we have not written back the entire difference between the assigned debt and final payable amount as settled in the LOA. The repayments have been made as per the repayment schedule except for the delay in the installment of Feb.24 & Mar.24. The total default as on 31.03.2024 was Rs. 5.37 cr. out of this Rs. 3.02 cr. has been paid as on the date of signing the financial statements.
- 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).
- All the borrowings are guaranteed by promoter directors.
- 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.

| 20 Provisions (Non Current) | (₹ in Lakh) | |
|-----------------------------------|------------------------|------------------------|
| Particulars | As at 31 March 2024 | As at 31 March 2023 |
| Employee related-Leave encashment | 26.94 | 33.66 |
| Employee related-Gratuity | 171.37 | 230.90 |
| Total | 198.31 | 264.56 |

| 21 Other Non-Current Liabilities | (₹ in Lakh) | |
|----------------------------------|------------------------|------------------------|
| Particulars | As at 31 March 2024 | As at 31 March 2023 |
| Security deposit received | 0.53 | 0.53 |
| Others* | 33,465.86 | - |
| Total | 33,466.39 | 0.53 |

* This amount includes Rs. 31509.32 Lakhs pertaining to financial liabilities owed to banks / financial institutions over and above the settled amount with Phoenix ARC. This amount will be eventually written off when total liability owed to Phoenix ARC as per LOA will be completely paid.

22 Short term borrowings (₹ in Lakh)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|-------------------------|
| Secured Borrowings | | |
| Loans repayable on demand* | - | 44,388.49 |
| Current maturities of long-term borrowings (Refer Note No.19) | 2,912.93 | - |
| Unsecured Borrowings | | |
| from related party & others | 45.62 | 95.62 |
| Foreign Currency Convertible Bonds | 147.70 | 221.53 |
| Current maturities of long-term borrowings (Refer Note No.19) | - | 42.80 |
| Total | <u>3,106.25</u> | <u>44,748.44</u> |

During the period ended 31st March, 2017, the company had 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). The installment pertaining to March 2024 amounting to USD 1,08,058 is in default.

23 Trade payables (₹ in Lakh)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|-------------------------|-------------------------|
| Total Outstanding dues of Micro enterprises and Small enterprises | - | - |
| Total Outstanding dues of Creditors other than Micro enterprises and Small enterprises | 18,615.24 | 14,343.79 |
| Total | <u>18,615.24</u> | <u>14,343.79</u> |

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 31.03.2024. 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 payables ageing as at 31.03.2024

| 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 | 6517.36 | 3437.71 | 3632.89 | 4964.58 | 18,552.54 |
| (iii) Disputed dues-MSME | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | - | - |
| | 6,517.36 | 3,437.71 | 3,632.89 | 4,964.58 | 18,552.54 |
| Not due balance as at 31.03.2024 | | | | | 62.71 |
| Total Trade payables | | | | | 18,615.25 |

(b) Trade payables 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 | - | - | - | - | - |
| | 6,694.13 | 1,819.54 | 1,557.25 | 4,162.21 | 14,233.13 |
| Not due balance as at 31.03.2023 | | | | | 110.66 |
| Total Trade payables | | | | | 14,343.79 |

| 24 Other Financial liabilities-Current | | (₹ in Lakh) | |
|--|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Interest Payable | 89.22 | 379.06 | |
| Trade deposits & advances | 41.81 | 42.24 | |
| Other payables | | | |
| Employees related | 396.44 | 646.44 | |
| Trade expenses payable | 613.14 | 1,853.66 | |
| Enhanced Land Compensation (VTM Land) | 348.24 | 348.24 | |
| Others | 502.91 | 807.46 | |
| Total | <u>1,991.76</u> | <u>4,077.10</u> | |

| 25 Other current liabilities | | (₹ in Lakh) | |
|----------------------------------|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Advances/deposits from customers | 1,015.26 | 618.14 | |
| Statutory dues* | 366.49 | 271.51 | |
| Security deposit received | 24.33 | 25.58 | |
| Total | <u>1,406.08</u> | <u>915.23</u> | |

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

| 26 Provision (Current) | | (₹ in Lakh) | |
|---|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| Employees Benefit-Leave Encashment | 21.53 | 26.29 | |
| Provision Against forfeiture of MIDC Land | 136.00 | 136.00 | |
| Employees Benefit-Gratuity | 138.57 | 158.25 | |
| Others | 71.32 | 701.79 | |
| Total | <u>367.42</u> | <u>1,022.33</u> | |

| 27 Revenue from operations | | (₹ in Lakh) | |
|-------------------------------|-------------------------------------|-------------------------------------|--|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| i) Sale of products | | | |
| -Grey yarn | 31,604.47 | 43,781.28 | |
| -Dyed yarn | 64.51 | 7,711.04 | |
| -Garments | 128.37 | 121.09 | |
| -Waste sale | 5,273.74 | 5,532.83 | |
| -Trading goods (textile) | 0.60 | 4,594.52 | |
| ii) Job charges income | 3.87 | 129.14 | |
| Total | <u>37,075.56</u> | <u>61,869.90</u> | |
| Rebate & Discount | (11.75) | (318.86) | |
| Net sales | <u>37,063.81</u> | <u>61,551.04</u> | |
| Other Operating Income | - | - | |
| TOTAL | <u>37,063.81</u> | <u>61,551.04</u> | |

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 2024 | For the year ended 31 March 2023 |
| Interest income on Bank deposits & others | 75.74 | 35.77 |
| Profit on sale of fixed assets | 1,687.58 | - |
| Rent received | 71.91 | 154.44 |
| Miscellaneous Income | 1,062.24 | 426.15 |
| Total | 2,897.47 | 616.36 |
| Less: Interest on Margin Money reduced from finance cost (Refer Note no.33) | 0.29 | 0.54 |
| Total | 2,897.18 | 615.82 |

| 29 Cost of material consumed (₹ in Lakh) | | |
|---|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Raw material consumption | | |
| Cotton | 29,294.03 | 38,418.93 |
| Cotton yarn | 148.44 | 3,473.91 |
| Synthetic fibre | 2,580.15 | 4,260.21 |
| Dyes & chemicals | 12.20 | 672.79 |
| Total | 32,034.82 | 46,825.84 |

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 2024 | | For the year ended 31 March 2023 | |
|--------------|-------------------------------------|---------------|-------------------------------------|---------------|
| | ₹ in Lakh | % | ₹ in. Lakh | % |
| Indigenous | 32,034.82 | 100.00 | 46,825.84 | 100.00 |
| Imported | - | - | - | - |
| Total | 32,034.82 | 100.00 | 46,825.84 | 100.00 |

| 30 Purchase of Stock In Trade (₹ in Lakh) | | |
|--|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Cotton | - | 4,088.19 |
| Total | - | 4,088.19 |

| 31 Changes in inventories of finished goods, work in progress and stock in trade (₹ in Lakh) | | |
|---|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Closing inventories | | |
| Finished goods (Including waste) | 272.03 | 370.63 |
| Work in progress | 470.19 | 843.34 |
| | 742.22 | 1,213.97 |
| Opening inventories | | |
| Finished goods (Including waste) | 370.63 | 2,418.71 |
| Work in progress | 843.34 | 921.41 |
| | 1,213.97 | 3,340.12 |
| (Increase) / Decrease | 471.75 | 2,126.15 |

| 32 Employee benefit expenses | | (₹ in Lakh) | |
|--|-------------------------------------|-------------------------------------|--|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Salaries, Wages & Other Benefits | 3,439.16 | 3,982.65 | |
| Contribution to Provident & Other Funds | 277.73 | 332.95 | |
| Staff Welfare Expenses | 111.56 | 202.77 | |
| Total | 3,828.45 | 4,518.37 | |
| 33 Finance costs | | (₹ in Lakh) | |
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Interest expense | | | |
| - Borrowings | 245.43 | 4,861.87 | |
| - Other | 90.11 | 258.76 | |
| Other borrowing costs | - | 220.00 | |
| | 335.54 | 5,340.63 | |
| Less: Interest on Margin Money(Refer Note no. 28) | 0.29 | 0.54 | |
| Total | 335.25 | 5,340.09 | |
| 34 Other expenses | | (₹ in Lakh) | |
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Packing Material Consumed | 486.79 | 775.19 | |
| Power & Fuel including Oil & Lubricants | 3,494.77 | 4,496.42 | |
| Processing Charges | 15.89 | 20.07 | |
| Repairs and maintenance : | | | |
| Plant & machinery | 442.64 | 684.08 | |
| Building | 22.95 | 68.81 | |
| General | 70.82 | 156.40 | |
| Electric | 4.63 | 14.38 | |
| Rent | 41.40 | 39.79 | |
| Rates and taxes | 90.37 | 62.05 | |
| Insurance | 71.52 | 89.09 | |
| Travelling & Boarding Expenses | 115.75 | 165.26 | |
| Legal & professional | 149.76 | 249.37 | |
| Exchange rate fluctuation (net) | 3.68 | 43.49 | |
| Delivery Expenses (Including Freight,Octroi & Others) | 119.24 | 296.90 | |
| Rebate & discounts | (509.10) | 52.05 | |
| Bank charges | 0.39 | 0.63 | |
| Loss on Sale of Fixed Assets | - | 8.39 | |
| Miscellaneous expenses | 297.24 | 396.95 | |
| Total | 4,918.74 | 7,619.32 | |

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

| Particulars | (₹ in Lakh) | |
|---------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| As auditor: | | |
| - Statutory audit | 10.50 | 10.50 |
| - Tax audit | 1.50 | 1.50 |
| Reimbursement of expenses | 0.22 | 0.15 |
| Total | 12.22 | 12.15 |

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

| Particulars | For the year ended 31 March 2024 | | For the year ended 31 March 2023 | |
|--------------|-------------------------------------|---------------|-------------------------------------|---------------|
| | ₹ in Lakh | % | ₹ in. Lakh | % |
| Indigenous | 518.09 | 100.00 | 827.30 | 100.00 |
| Imported | - | 0.00 | 0.00 | 0.00 |
| Total | 518.09 | 100.00 | 827.30 | 100.00 |

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

| Particulars | (₹ in Lakh) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Repairs and maintenance :- General | 70.82 | 145.13 |
| Repairs and maintenance : Plant & Machinery | 442.64 | 667.79 |
| Repairs and maintenance : Electrical | 4.63 | 14.38 |
| Total | 518.09 | 827.30 |

35 **Exceptional Items**

| Particulars | (₹ in Lakh) | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Amount Written Back in respect of OTS with Banks | 0.00 | 9719.63 |
| Total | 0.00 | 9719.63 |

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, 2024

(₹ in Lakh)

| Particulars | Notes No. | As at March 31, 2024 | 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 | | |
| Assets: | | | | | | | | | | |
| i) Investments (Non Current) | 3 | 0.62 | - | - | 0.62 | - | - | - | 0.62 | 0.62 |
| ii) Trade receivable (Non Current) | 6 | 541.48 | - | 541.48 | - | - | - | - | 541.48 | 541.48 |
| iii) Trade and other receivables (Current) | 10 | 3.57 | - | 3.57 | - | - | - | - | 3.57 | 3.57 |
| iv) Cash and cash equivalents | 11 | 106.00 | - | 106.00 | - | - | - | - | 106.00 | 106.00 |
| v) Bank balances other than above | 12 | 5.00 | - | 5.00 | - | - | - | - | 5.00 | 5.00 |
| vi) Loans (Current) | 13 | 6.50 | - | 6.50 | - | - | - | - | 6.50 | 6.50 |
| vii) Other financial assets (Current) | 14 | 42.24 | - | 42.24 | - | - | - | - | 42.24 | 42.24 |
| Total | | 705.40 | - | 704.78 | 0.62 | - | - | - | 705.40 | 705.40 |
| Liabilities: | | | | | | | | | | |
| i) Borrowings (Non Current) | 19 | 4,512.71 | - | 4,512.71 | - | - | - | - | 4,512.71 | 4,512.71 |
| ii) Borrowings (Current) | 22 | 3,106.25 | - | 3,106.25 | - | - | - | - | 3,106.25 | 3,106.25 |
| iii) Trade payables (Current) | 23 | 18,615.24 | - | 18,615.24 | - | - | - | - | 18,615.24 | 18,615.24 |
| iv) Other financial liabilities (Current) | 24 | 1,991.76 | - | 1,991.76 | - | - | - | - | 1,991.76 | 1,991.76 |
| Total | | 28,225.96 | - | 28,225.96 | - | - | - | - | 28,225.96 | 28,225.96 |

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 | | |
| Assets: | | | | | | | | | | |
| 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 |
| Total | | 643.37 | - | 642.74 | 0.62 | - | - | - | 643.37 | 643.37 |
| Liabilities: | | | | | | | | | | |
| 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 |
| Total | | 63,169.34 | - | 63,169.34 | - | - | - | - | 63,169.34 | 63,169.34 |

(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 2024

| 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 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 | | | | - |

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 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (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 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| The basic and diluted earning per share is as under: | | |
| Net Profit/(loss) after tax (₹ lakh) | (2,675.98) | 149.14 |
| Net Profit/(loss) after tax but before Exceptional Items (₹ lakh)** | (2,675.98) | (9,570.49) |
| Weighted average no. of Basic equity shares outstanding | 2,47,06,257 | 2,22,90,957 |
| Weighted average no. of Diluted equity shares outstanding | 3,22,00,793 | 2,22,90,957 |
| Nominal value of per equity shares (in ₹) | 10.00 | 10.00 |
| Earnings per share (of ₹10 each) After Exceptional Items | | |
| Basic earnings per share (₹) | (10.83) | 0.67 |
| Diluted earnings per share (₹) | (8.31) | 0.67 |
| Earnings per share (of ₹10 each) before Exceptional Items | | |
| Basic earnings per share (₹) | (10.83) | (42.93) |
| Diluted earnings per share (₹) | (8.31) | (42.93) |

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

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| a) Claims against the Company not acknowledged as debts (net of amount deposited ₹ 68.15 lakh Previous year- ₹ 68.15 lakh) | 675.58 | 262.56 |
| 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) | 14133.45 | 4,426.03 |
| 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 2024 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 (484.13) | 241.60 (241.60) | 242.53 (242.53) | 55.10 (55.10) |
| | 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 | 15,978.30 (5,457.53) | - | 14,350.98 (4,643.56) |
| | 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 (16.41) | - | 16.41 (16.41) | - |
| iv) Commercial matters | Code of Civil Procedure Act 1908 | 439.97 (26.95) | - | 439.97 (26.95) | - |
| | Total | 17,157.90 (6,224.11) | 417.08 (417.08) | 15,111.29 (4,990.85) | 291.76 (291.76) |

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 Decried in favour of the Company (under execution) | Balance Amount Still contested by the Company |
|--|------------------------|--------------------|---|---|
| Commercial matters - Legal cases customers | 1,041.34 (1,412.52) | 499.86 (880.20) | - - | 541.48 (532.32) |

Figures in brackets in aforesaid note represent previous year figures

| 41 Obligations and commitments outstanding: | | (₹ in Lakh) | |
|--|------------------------|------------------------|--|
| Particulars | As at 31 March 2024 | As at 31 March 2023 | |
| 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 | 4,702.48 | 7,095.95 | |
| 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 2024 | | As at 31 March 2023 | |
|-----------------------------|----------|---------------------|---------------|---------------------|---------------|
| | | In million | ₹ in Lakh | In million | ₹ in Lakh |
| Trade Payables* | INR | - | 77.31 | - | 89.90 |
| Loan (including interest)** | USD | 0.22 | 147.70 | 0.32 | 221.53 |
| Total | | 0.22 | 225.01 | 0.32 | 311.43 |

* 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 does not 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 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| i) Employer's contribution to Provident Fund | 159.22 | 187.68 |
| ii) Employer's contribution to Superannuation Fund | 1.80 | - |
| ii) Employer's contribution to Pension Scheme | 66.54 | 74.56 |

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 2024 | For the year ended 31 March 2023 |
|--|-------------------------------------|-------------------------------------|
| Defined benefit obligation at the beginning of the year | 389.15 | 373.89 |
| Current service cost | 33.36 | 48.67 |
| Interest cost | 23.35 | 18.69 |
| Actuarial gain / (loss) | (3.48) | 6.01 |
| Benefit paid* | (132.44) | (58.12) |
| Past Service Cost | - | - |
| Defined obligation at year end | 309.95 | 389.15 |

| Reconciliation of opening and closing balances of fair value of plan assets | | (₹ in Lakh) | |
|---|-------------------------------------|-------------------------------------|--|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Fair value of plan assets at the beginning of the Year | 470.31 | 464.36 | |
| Expected return on plan assets | 34.10 | 27.86 | |
| Actuarial gain / (loss) | (8.13) | (3.35) | |
| Adjustment of earlier years | - | - | |
| Benefit paid | (47.40) | (18.55) | |
| Fair value of plan assets at year end | 448.89 | 470.31 | |

| Reconciliation of fair value of assets & obligation | | (₹ in Lakh) | |
|---|-------------------------------------|-------------------------------------|--|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Fair value of plan assets at the end | 448.89 | 470.31 | |
| Present value of obligation | 309.95 | 389.15 | |
| Net asset/(liability) recognized in the balance sheet | 138.94 | 81.16 | |

| (a) Amount recognized in the statement of profit & loss | | (₹ in Lakh) | |
|---|-------------------------------------|-------------------------------------|--|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Current service cost | 33.36 | 48.67 | |
| Interest cost | 23.35 | 18.69 | |
| Expected return on plan assets | (34.10) | (27.86) | |
| Amount recognized in the statement of profit & loss | - | - | |
| | 22.61 | 39.51 | |

| (b) Other comprehensive(income)/expense(Remeasurement) | | (₹ in Lakh) | |
|--|-------------------------------------|-------------------------------------|--|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Actuarial (gain)/loss -obligation | (3.48) | 6.01 | |
| Actuarial (gain)/loss -plan assets | 8.13 | 3.35 | |
| Amount recognized in the statement of profit & loss | 4.65 | 9.36 | |

| The principal assumptions used in determining gratuity for the Company's plans are shown below : | | (₹ in Lakh) | |
|--|-------------------------------------|-------------------------------------|--|
| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 | |
| Discount rate | 7.25% | 6.00% | |
| Attrition rate | 45.00% | 43.00% | |
| Expected rate of return on assets | 7.00% | 7.00% | |
| Mortality rate | IALM 2012-14 | IALM 2012-14 | |
| Salary rise | 10.00% | 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 2024 | For the year ended 31 March 2023 | |
| Defined benefit obligation | 309.95 | 389.15 | |
| Plan assets | 448.89 | 470.31 | |
| Surplus/(deficit) | 138.94 | 81.16 | |
| Experience adjustment on plan assets | (8.13) | (3.35) | |
| Experience adjustment on plan liabilities | (135.92) | (52.11) | |

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: 29-02-2024 |
|--|---|
| Defined Benefit Obligation (Base) | 3,09,94,114@ Salary Increase Rate : 10%, and discount rate :7.25% |
| Liability with x% increase in Discount Rate | 3,04,09,205; x = 1.00% [Change (2)%] |
| Liability with x% decrease in Discount Rate | 3,16,02,900; x = 1.00% [Change 2%] |
| Liability with x% increase in Salary Growth Rate | 3,15,19,479; x = 1.00% [Change 2%] |
| Liability with x% decrease in Salary Growth Rate | 3,04,90,697; x = 1.00% [Change (2)%] |
| Liability with x% increase in Withdrawal Rate | 3,08,94,409; x = 1.00% [Change 0%] |
| Liability with x% decrease in Withdrawal Rate | 3,10,96,914; 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 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Defined benefit obligation at the beginning of the year | 59.96 | 67.59 |
| Current service cost | 13.33 | 17.78 |
| Interest cost | 3.60 | 3.38 |
| Actuarial (gain) /loss | 27.46 | 14.45 |
| Benefit paid | (55.87) | (43.24) |
| Defined obligation at year end | 48.47 | 59.96 |

Reconciliation of fair value of assets & obligations

(₹ in Lakh)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Fair value of plan assets at the end | - | - |
| Present value of obligation | 48.47 | 59.96 |
| Amount recognized in balance sheet | 48.47 | 59.96 |

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

(₹ in Lakh)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Current service cost | 13.33 | 17.78 |
| Interest cost | 3.60 | 3.38 |
| Expected return on plan assets | - | - |
| Amount recognized in the statement of profit & loss | 16.93 | 21.16 |

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

(₹ in Lakh)

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|-------------------------------------|-------------------------------------|
| Actuarial (gain)/loss -obligation | 27.46 | 14.45 |
| Actuarial (gain)/loss -plan assets | - | - |
| Amount recognized in the statement of profit & loss | 27.46 | 14.45 |

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

| Particulars | (₹ in Lakh) | |
|-----------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| Discount rate | 7.25% | 6.00% |
| Attrition rate | 45.00% | 43.00% |
| Expected rate of return on assets | NA | NA |
| Mortality rate | IALM 2012-14 | IALM 2012-14 |
| Salary rise | 10.00% | 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: 29-02-2024 |
|--|-------------------------------------|
| Defined Benefit Obligation (Base) | 48,46,488 |
| Liability with x% increase in Discount Rate | 47,49,486; x = 1.00% [Change (2)%] |
| Liability with x% decrease in Discount Rate | 49,47,613; x = 1.00% [Change 2%] |
| Liability with x% increase in Salary Growth Rate | 49,44,153; x = 1.00% [Change 2%] |
| Liability with x% decrease in Salary Growth Rate | 47,51,058; x = 1.00% [Change (2)%] |
| Liability with x% increase in Withdrawal Rate | 48,40,948; x = 1.00% [Change 0%] |
| Liability with x% decrease in Withdrawal Rate | 48,52,294;; x = 1.00% [Change 0%] |

45 Related party disclosures:-

i) List of related parties and relationships

| | 2023-24 | 2022-23 |
|--------------------------------------|--|--|
| a) Subsidiary Company | Nil | Nil |
| 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. Sagar Bhatia, Independent Director Mrs. Sanchi Taneja, Independent Director (w.e.f 18.07.2023) Mr. Rohit Jain, Independent Director (w.e.f 28.03.2024) Mr. Sanjeev Joshi, Independent Director (Upto 14.09.2023) | 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) |
| 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 |

| | 2023-24 | 2022-23 |
|--|---|---|
| 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 | |
|---|--------------|---------|---------|---------|------------------|---------|---|---------|---------|---------|
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Loan received | - | - | - | - | - | - | - | - | - | - |
| Loan repaid | - | - | - | 92.19 | - | - | 50.00 | 6.38 | 50.00 | 98.57 |
| Sale of goods | - | - | - | - | - | - | 0.53 | 1.28 | 0.53 | 1.28 |
| Purchases | - | - | - | - | - | - | 0.75 | 1.22 | 0.75 | 1.22 |
| Net Advance(Received)/Paid | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | - | - | 6.43 | 6.10 | - | - | 6.43 | 6.10 |
| Director Sitting Fee | - | - | 4.21 | 2.71 | - | - | - | - | 4.21 | 2.71 |
| Job charges Paid | - | - | - | - | - | - | 1.53 | 1.74 | 1.53 | 1.74 |
| Rent received | - | - | - | - | - | - | 8.29 | 3.17 | 8.29 | 3.17 |
| Interest paid | - | - | - | - | - | - | - | - | - | - |
| Remuneration | - | - | 325.27 | 169.01 | - | - | - | - | 325.27 | 169.01 |
| Managerial remuneration | - | - | - | - | - | - | - | - | - | - |
| OUTSTANDING BALANCES AT YEAR END | | | | | | | | | | |
| Investment in equity shares | - | - | - | - | - | - | 0.09 | 0.09 | 0.09 | 0.09 |
| Unsecured loan | - | - | - | - | - | - | 30.62 | 80.62 | 30.62 | 80.62 |
| Amount payable/(recoverable) | - | - | - | - | - | - | - | - | - | - |

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 2024 and 31 March 2023.

(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 2024 | As at 31 March 2023 |
|--------------------------------------|------------------------|------------------------|
| Variable rate instruments | | |
| Long term borrowings | 4,512.71 | - |
| Current maturities of long term debt | 2,912.93 | 42.80 |
| Short term borrowings | 193.32 | 44,705.64 |

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:

| (₹ in Lakh) | | |
|---|------------------------|------------------------|
| Particulars | As at 31 March 2024 | As at 31 March 2023 |
| Increase/ (decrease) in 100 basis point | 76.19 | 447.48 |

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 2024 | As at 31 March 2023 |
| (a) Revenue from top five customers | | |
| - Amount of Sales | 31,054.71 | 49,068.60 |
| - % of total Sales | 83.79% | 79.72% |
| (b) Allowance for doubtful debts | | |
| Balance at the beginning of the period | 880.20 | 1,153.91 |
| Recognized during the year | - | - |
| Amount Write Off | 380.34 | 273.71 |
| Balance At the end of the period | 499.86 | 880.20 |

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 2024 and 31st March 2023.

| Particulars | (₹ in Lakh) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
| 47 a) Expenditure in foreign currency on account of: | | |
| Commission, consultancy, travelling, interest and others | 6.47 | 20.09 |

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). The installment pertaining to March 2024 amounting to USD 1,08,058 is in default.

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, 2024. 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 31.03.2024.

61 **Ratio Analysis**

| Sr. no | Ratio Analysis | Numerator | Rs in lakhs | Denominator | Rs in lakhs | 31st March 2024 | 31st March 2023 |
|--|----------------|--|--|---|---|-----------------|-----------------|
| 1 | Current Ratio | Current Assets Inventories Sundry Debtors Cash and Bank balances Receivables/Accruals Loans and Advances Disposable Investments Any other current assets Assets held for sale | 1,681.23 3.57 111.00 42.24 6.50 0.00 5,503.68 1,009.04 8,357.25 | Current Liabilities Creditors for goods and services Short term loans Bank Overdraft Cash Credit Outstanding Expenses Provision for taxation Proposed dividend Unclaimed Dividend Any other current liabilities | 18,615.24 3,106.25 0.00 0.00 1,991.76 0.00 0.00 0.00 1,773.50 25,486.74 | 0.33 | 0.11 |
| Remarks - This ratio has been improved mainly on account of decrease in current liabilities amount. | | | | | | | |

| Sr. no | Ratio Analysis | Numerator | Rs in lakhs | Denominator | Rs in lakhs | 31st March 2024 | 31st March 2023 |
|--|----------------------------------|--|-------------|---|-------------|-----------------|-----------------|
| 2 | Debt Equity Ratio | Total Debt Total Debt | 7,618.97 | Shareholder's Equity Total Shareholders Equity | -36,103.76 | -0.21 | -1.24 |
| Remarks - This ratio has been improved mainly on account of decrease in Total Debt. | | | | | | | |
| 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. | -2,980.36 | Debt Service Current Debt Obligation (Interest & Lease payment + Principal Repayment. | 9,609.13 | -0.31 | 20.91 |
| Remarks-The ratio has changed in current year, on account of decrease in net profit. | | | | | | | |
| 4 | Return on Equity Ratio | Profit for the period Net Profit after taxes - preference dividend (if any) | -2,708.09 | Avg. Shareholders Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2 | -36,167.21 | -0.075 | 0.003 |
| Remarks-The ratio has decreased in the current year on account of decrease in net profits. | | | | | | | |
| 5 | Inventory Turnover Ratio | Cost of Goods sold (Opening Stock + Purchases) - Closing Stock | 33,098.80 | Average Inventory (Opening Stock + Closing Stock)/2 | 1,636.97 | 20.22 | 16.28 |
| 6 | Trade Receivables Turnover Ratio | Net Credit Sales Credit Sales | 37,063.81 | Average Trade Receivables (Beginning Trade Receivables + Ending Trade Receivables) / 2 | 547.97 | 67.64 | 63.68 |
| 7 | Trade Payables Turnover Ratio | Total Purchases Annual Net Credit purchases | 34,156.34 | Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2 | 16,479.52 | 2.07 | 4.58 |
| 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 | 37,063.81 | Average Working Capital Current Assets - Current Liabilities | -17,129.51 | -2.16 | -1.06 |
| Remarks-The ratio has been changed on account of decrease in turnover. | | | | | | | |
| 9 | Net Profit Ratio | Net Profit Profit After Tax | -2,708.09 | Net Sales Sales | 37,063.81 | -0.073 | 0.002 |
| Remarks-This ratio has been decreased in current year mainly on account of decrease in profits. | | | | | | | |
| 10 | Return on Capital employed | Earning before interest and taxes Profit before Interest and Taxes | -2,340.73 | Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 2,073.65 | -1.13 | 0.15 |
| Remarks- The ratio has been decreased in current year as compared to previous year, due to decrease 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 31.03.2024 | 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 31.03.2024, 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 year's 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 31.03.2024.

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- 24519347BKFJML5782

Sd/-
Manju Oswal
 Director
 DIN-00009449

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

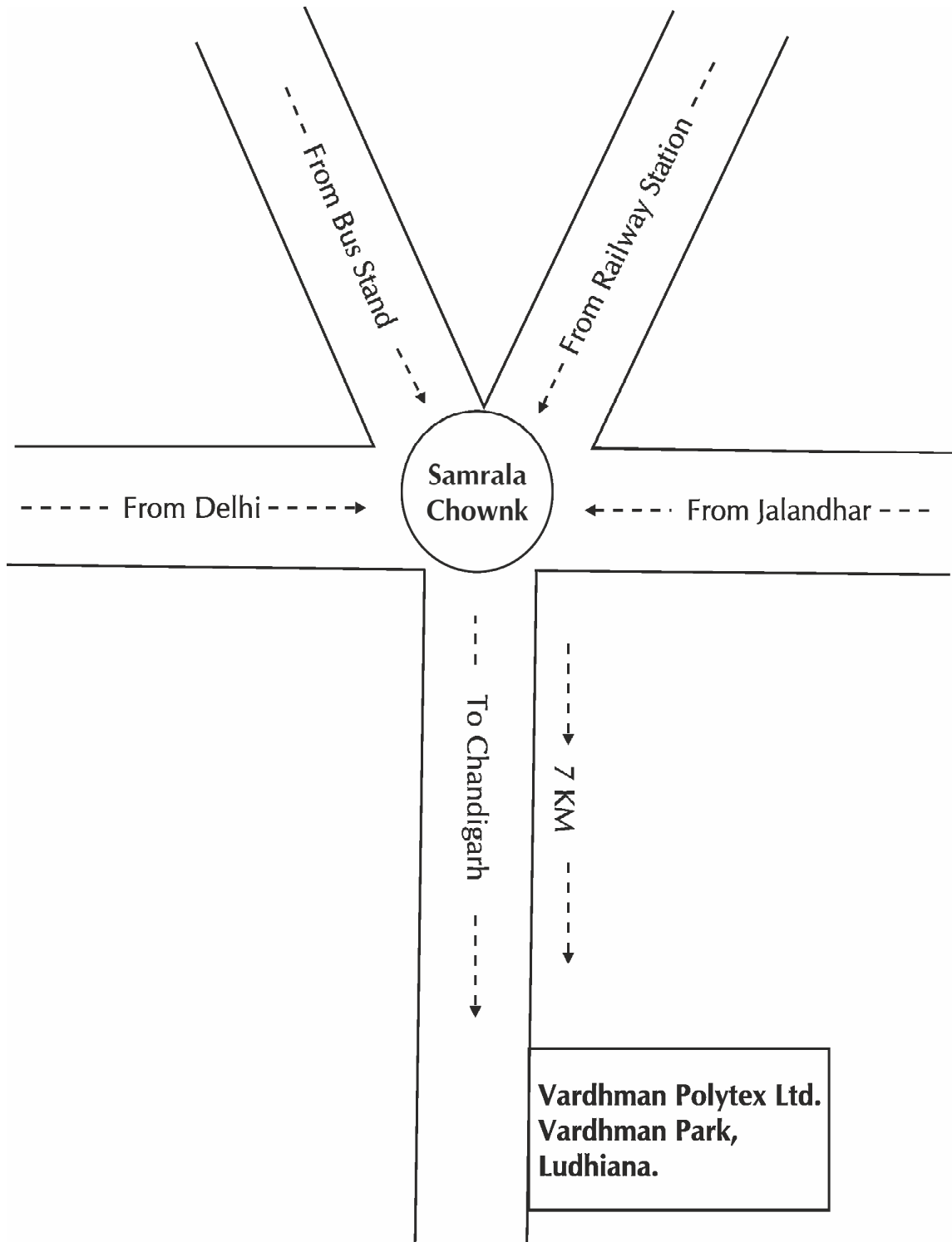
Place: Ludhiana
 Date: 27th May 2024

Sd/-
Ajay K. Ratra
 Company Secretary

Sd/-
Radhamohan Soni
 Chief Financial Officer

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

Email: info@vpl.in

www.vpl.in