



30.07.2025

The Listing Department, National Stock Exchange of India Limited "Exchange Plaza", C-1, Block-G, Bandra - Kurla Complex, Bandra (E), Mumbai - 400051 SCRIP CODE: VARDMNPOLY	The Listing Department, BSE Limited 25 th Floor, P.J. Towers, Dalal Street Fort, Mumbai- 400001 SCRIP CODE: 514175
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Subject: Notice of 45th Annual General Meeting & Annual Report 2024-25

Dear Sir/Madam,

Pursuant to Regulation 34 read with Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith, the Notice of 45th Annual General Meeting scheduled to be held on Thursday, 28th August, 2025 at 11:00 AM at registered office of the company situated at Vardhman Park, Chandigarh Road, Ludhiana, Punjab- 141123, containing all the businesses to be transacted at the meeting along with Annual Report of the Company for FY 2024-25.

Further, the said notice of AGM alongwith Annual Report is also available on website of the company at www.vpl.in.

This is for your information and record please.

Thanking you

Yours truly,
For Vardhman Polytex Limited

Ajay K. Ratra
Company Secretary



45th

ANNUAL REPORT

2024-25

Vardhman Polytex Limited
An Oswal Group[®] Company



Message from Chairman & Managing Director

Dear Shareholders,

I extend my warm greetings and sincere gratitude for your continued trust and support.

As I reflect on fiscal year 2024–25, it has been a particularly challenging one for your company. There was decline in revenue from operations but there was profit from operations. The dip in revenue is primarily attributable to the closure of operations at our Bathinda unit and the lower, irregular production at our Ludhiana unit, which was subsequently shut down during the year.

These developments reflect the broader challenges we have faced in recent years, which have tested the resilience of our organization. Our liquidity position also remained under strain, impacting the consistency of our operations. In response, the management is actively exploring opportunities to monetize the real estate assets at Bathinda and Ludhiana. We believe that unlocking the value of these properties will help streamline our cash flows and support future strategic initiatives.

Despite the headwinds, I want to reassure all stakeholders that we remain committed to stabilizing operations and rebuilding a strong foundation for sustainable growth. The company is taking measured and forward-looking steps to address immediate challenges while positioning itself to benefit from long-term opportunities.

We are confident that with prudent decision-making, focused execution, and your unwavering support, the company will overcome its current challenges and emerge stronger, more agile, and ready for the next phase of growth and profitability.

I sincerely thank our shareholders, employees, customers, and partners for their steadfast support and commitment throughout these challenging times. Your continued trust in our journey is deeply appreciated.

Sincerely,

Adish Oswal
Chairman & Managing Director

BOARD OF DIRECTORS

Mr. Adish Oswal
Mrs. Manju Oswal
Mr. Suresh Kumar Banka
Mr. Sandeep Mehta
Mr. Sagar Bhatia
Mrs. Sanchi Taneja
Mr. Rohit Jain

- Chairman & Managing Director
- Director
- Director
- Independent Director (upto 02.04.2024)
- Independent Director
- Independent Director
- Independent Director

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

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,
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
Email: rta@alankit.com
website: www.alankit.com

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NOTICE

NOTICE is hereby given that the **45th Annual General Meeting (AGM)** of the members of Vardhman Polytex Limited will be held on **Thursday, 28th August, 2025 at 11:00 AM** 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, 2025, together with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Suresh Kumar Banka (DIN- 08847246), who retires by rotation in accordance with Articles of Association and being eligible, offers himself for re-appointment.
3. **Appointment of Statutory Auditors of the company**

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 139, 142 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. Navneet Sehgal & Co., Chartered Accountants (Firm Registration No. 008199N), Ludhiana be and is hereby appointed as Statutory Auditors of the Company to hold office for consecutive 5 (Five) years starting from the conclusion of this 45th AGM i.e., 28.08.2025 till the conclusion of 50th AGM of the company to be held in 2030 at a remuneration of Rs. 9,00,000/- per year 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 file necessary forms with MCA/ ROC and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

SPECIAL BUSINESS:

4. **To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2026**

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, 2026, be paid the remuneration of Rs. 1,45,000/- per year 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 file necessary forms with MCA/ ROC and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

5. **Appointment of Secretarial Auditors of the company**

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 204 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) and Regulation 24A of SEBI (LODR) Regulations 2015 as amended, M/s. Harshit Arora and Associates, Company Secretaries, Ludhiana be and is hereby appointed as Secretarial Auditors of the Company for a term of 5 years starting from the conclusion of this 45th AGM i.e., 28.08.2025 till the conclusion of 50th AGM to be held in 2030 at a remuneration of Rs. 80,000/- per year 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 file necessary forms with MCA/ ROC and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

6. **Reappointment of Mr. Adish Oswal (DIN: 00009710) as Managing Director of the company**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') and all other applicable provisions of the Act including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force read with Regulation 17 (6) (e) of SEBI (LODR) Regulations 2015 as amended and based on the recommendation of the Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, the consent of the members be and is hereby accorded to re-appoint Mr. Adish Oswal (DIN: 00009710) as Managing Director of the company for a term of 3 (Three) years from 24.11.2025 to 23.11.2028 at a remuneration of Rs. 30 Lakh per month as detailed below and in accordance with the further terms and conditions as set out in the explanatory statements of the notice:

Basic Pay	Rs. 15.00 Lakh P.M
Special allowance	Rs. 5.10 Lakh P.M
House Rent Allowance	Rs. 4.50 Lakh P.M
Helper Allowance	Rs. 3.60 Lakh P.M
Provident Fund	Rs. 1.80 Lakh P.M
Total	Rs. 30.00 Lakh P.M

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

OTHER BENEFITS:

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

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

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

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

RESOLVED FURTHER THAT where in any financial year during the currency of term of Mr. Adish Oswal as MD, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Adish Oswal, MD, remuneration by way of Salary and Perquisites as specified above as minimum remuneration, notwithstanding such remuneration may exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013, Regulation 17 of SEBI (LODR) Regulation 2015 or under any other law for the time being in force.

RESOLVED FURTHER THAT Mr. Adish Oswal, Managing Director, be entrusted with such powers and perform such duties as may from time to time be delegated/entrusted to him subject to the supervision and control of the Board.

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

By Order of the Board

Sd/-

Place: Ludhiana
Date : 28.07.2025

Ajay K. Ratra
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND

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

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

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of items specified in special business and the information required pursuant to SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, regarding the directors seeking appointment/re-appointment in the Annual General Meeting are annexed hereto and both forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, 25th August, 2025 to Thursday, 28th August, 2025 (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. 09/2024 dated 19.09.2024 and SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2024/133 dated 03.10.2024, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report 2024-25 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).

Furthermore, in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 effective from 13.12.2024, a letter, containing the web-link, including the exact path, where complete details of the Annual Report is available, is being issued to the shareholders whose email addresses are not registered with the company or any depository.

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

- i) The voting period begins on Monday, 25.08.2025 (09:00 A.M.) and ends on Wednesday, 27.08.2025 (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., Thursday, 21.08.2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 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 & My Easi New (Token) 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 & My Easi New (Token) 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.

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.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on 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.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
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 redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with 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,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <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 **EVSIN: 250728004 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 mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@vpl.in, 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. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Ramanath Iyer & Co., New Delhi, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2026. 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, 2026.

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

None of the Directors or KMP of the Company or their respective relatives are concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 5

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, on the recommendation of the Board of Directors, Secretarial Auditors of the Listed company shall be appointed by the shareholders of the company in Annual General Meeting in accordance with the provisions contained under Regulation 24A of SEBI (LODR) Regulations 2015.

Accordingly, on the recommendation of Audit committee,

the board of directors of the company at its meeting held on 28.07.2025 has recommended the appointment of M/s Harshit Arora and Associates, Practicing Company Secretaries with Proprietor CS Harshit Arora (M.No. FCS- 12307 and Certificate of Practice No. 14807) as Secretarial Auditors of the company for a period of 5 years starting from the conclusion of this 45th AGM till the conclusion of 50th AGM to be held in 2030 at a remuneration as stated in the above resolution placed for approval.

M/s Harshit Arora and Associates, Practicing Company Secretaries is a peer reviewed proprietorship firm, of Mr. Harshit Arora based at Ludhiana, having a rich experience of about more than 10 years in the field of Corporate Laws, Auditing & Reporting, Advisory, Corporate Governance, Compliance, Liaison relating to Company Law, Security Law, Merger and Acquisition, legal Due Diligence.

It is further informed that M/s. Harshit Arora & Associates, Practicing Company Secretaries are currently the Secretarial Auditors of the Company and as per Regulation 24A of SEBI (LODR), any association of the individual or the firm as the Secretarial Auditors of the listed entity before March 31, 2025 shall not be considered for the purpose of calculating the tenure.

The Board of Directors, in consultation with the Audit Committee may alter or vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditors.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested, financially or otherwise, in the said resolution.

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

ITEM No. 6

Mr. Adish Oswal was re-appointed as Managing Director for a period of 3 years w.e.f 24th November, 2022. The term of Mr. Adish Oswal as Managing Director will end on 23rd November, 2025.

Mr. Adish Oswal, aged 45 years, is the third generation Entrepreneur of the Oswal family which has pioneered Textile Business in Punjab since generations. He is a Commerce Graduate from Delhi University and has attended various training programmes such as Managerial Finance at Harvard University, Boston; one on Core Competence, Capability & Strategy at IIM, Ahmedabad & another on Strategy for Fast Growing Enterprises at ISB Hyderabad. Mr. Adish Oswal has more than 22 years of rich experience in textile industry and approx. 10 years of experience in Real Estate sector. He has vast experience in selection of technology, machineries and operation of plants. He also spearheads the Groups initiatives in the areas of Finance, Marketing, Business Development, Corporate Communication and Corporate Affairs.

Pursuant to the provisions of Section 197 read with Schedule V to the Act relating to payment of managerial remuneration in case of absence of profits and/or inadequacy of profits (calculated under Section 198 of the Act), the Company may pay such remuneration over and above the ceiling limit as specified in Schedule V, subject to the members' approval by way of a Special Resolution for payment of minimum remuneration for a period not exceeding 3 years, compliance of disclosure requirements and other conditions stated therein. In view of the foregoing factors, the approval of the members is being also

sought for payment of remuneration to Mr. Adish Oswal as may be permitted under applicable laws, in case of absence of profits and/ or inadequacy of profits or otherwise, in the Company.

Board on the recommendation of Nomination & Remuneration Committee held on 28.07.2025 has approved re-appointment of Mr. Adish Oswal as Managing Director of the company for a period of 3 (Three) years starting from 24.11.2025 till 23.11.2028 at a remuneration as stated in the above resolution placed for approval.

Pursuant to NSE circular bearing reference no. NSE/CML/2018/02 and BSE circular bearing reference no. LIST/COMP/14/2018-19 both dated June 20, 2018, Mr. Oswal has submitted declaration that he is not debarred from holding the office of Director by virtue of order of SEBI or any other such authority.

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

Other details of Mr. Adish Oswal as per requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings are given herein below as additional details.

Except Mr. Adish Oswal and Mrs. Manju Oswal, none of the Directors or KMP of the Company or their respective relatives, are concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Special resolution set forth in Item No. 6 for the approval of the members.

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

I. General information:					
1	Nature of industry	The Company is engaged in the manufacturing of yarns and is entering into real estate sector.			
2	Date or expected date of commencement of commercial production	02/12/1982 (Date of Certificate of Commencement of Business).			
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable as the Company is an existing Company.			
4	Financial performance based on given indicators	(Amount in Rs. Lakh)			
		Particulars	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2023
		Revenue from Operations	28498.24	37063.81	61551.04
		Profit before tax	1492.40	(2675.98)	149.14
		Profit after tax	1492.40	(2675.98)	149.14
5	Foreign investments or collaborations, if any.	The Company is listed on the BSE Limited and National Stock Exchange of India Limited. As at March 31, 2025, the foreign portfolio investors and NRIs hold 0.54% and 0.35% holding of the company respectively. The Company does not have any Foreign Collaborations.			
II. Information about the appointee:					
1	Background details	As mentioned in the Explanatory Statement under Item 6.			
2	Past remuneration	Remuneration of Rs. 30 Lakh per month. <i>(However, Mr. Adish Oswal has voluntarily reduced his remuneration by 50% with effect from July 1, 2024 owing to the tough times and need for cost optimization in the company.)</i>			
3	Recognition or awards	None			

4	Job profile and his suitability	<p>Mr. Adish Oswal is a Commerce Graduate from Delhi University and has attended various training programmes such as Managerial Finance at Harvard University, Boston; one on Core Competence, Capability & Strategy at IIM, Ahmadabad & another on Strategy for Fast Growing Enterprises at ISB Hyderabad. He has more than 22 years of rich experience in Textile industry. He also spearheads the Groups initiatives in the areas of Finance, Marketing, Business Development, Corporate Communication and Corporate Affairs.</p> <p>He will perform such duties as shall from time to time be entrusted to him by the Board of Directors subject to superintendence, guidance and control of the Board of Directors.</p>
5	Remuneration proposed	As set out in the Special Resolution at Item No.6
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Adish Oswal, the remuneration proposed is commensurate with the remuneration packages paid to their similar counterparts in other companies.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Mr. Adish Oswal is Promoter of the Company and holds 42,05,110 Equity Shares of the company representing 0.92% of the paid up share capital of the company. He is son of Mrs. Manju Oswal, Director of the company and drawing remuneration in the capacity of CMD of the Company.
III. Other information:		
1	Reasons of loss or inadequate profits	<p>Over the last few years, the operations of the Company have been adversely affected due to various factors such as:</p> <ul style="list-style-type: none"> (a) majority of spindles have become quite old leading to inconsistent quality in products; (b) the older technology has lead to higher operating costs such as power, yield, wastage etc. putting additional pressure on margins of the Company. (c) further, in the last 5-10 years newer machinery has been introduced which incorporates the latest technology/ automation thus yielding huge power savings, better yield and productivity, thereby giving a cushion to players having latest machinery; (d) due to huge repayments, well above accruals, there remains a liquidity pressure with resultant pressure on sales etc., due to which the Company has had to sell the products at a discount in domestic market and to buy raw material on deferred credit basis; (e) the Company has not incurred the critical capital expenditure in last 6-7 years for the modernization of the machinery, which is essential for remaining in the competitive market. (f) during FY 2023-24, operations at manufacturing unit located at Badal Road, Bathinda were closed due to non-viability due to deteriorating condition of machines, high operational cost and operational losses. (g) In March 2025, the company has closed the operations at manufacturing unit located at Focal Point, Ludhiana to explore various avenues for the monetization of the land and streamlining the cash flows of the organization.

2	Steps taken or proposed to be taken for improvement.	<p>Low cost debt avenues are being explored to meet the Capex and working capital requirements. Consistent efforts are being made to increase operational efficiency of remaining manufacturing unit located at Nalagarh. Company has planned to monetize the land situated at Bathinda Unit to augment funds. The company has received approval from Bathinda Development Authority (BDA) stating its No Objection to establish a Residential Colony subject to other regulatory approvals from Municipal Corporation and other Departments. However, pending these approvals, the land situated at Bathinda unit has been reclassified from fixed assets to inventory in December, 2024 and is valued at fair value, based on the Bathinda Tehsil's collector rate list for agricultural land. This initial fair value assessment uses agricultural land rates. A full fair market valuation will be determined after the saleable area is precisely ascertained. Further, manufacturing operations at Ludhiana plant were closed to explore various avenues for the monetization of real estate potential of the land and streamlining the cash flows of the organization.</p>
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3	Expected increase in productivity and profits in measurable terms.	The Company has taken various initiatives to maintain its leadership, improve market share, increase operational efficiency and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance. The company remain optimistic on the growth prospects of the Company and is confident of achieving improved performance going forward.
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The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196, Section 197 and Schedule V of the Companies Act, 2013.

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

Place: Ludhiana

Date : 28.07.2025

By Order of the Board

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:

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the disclosure in respect of appointment/ re-appointment of Statutory Auditor and Secretarial Auditor are given below:

Sr. No.	Particulars	Disclosure	
		Statutory Auditor	Secretarial Auditor
1	Type of auditor	Statutory Auditor	Secretarial Auditor
2	Name of Auditor	Navneet Sehgal & Co., Chartered Accountants	Harshit Arora and Associates, Company Secretaries
3	Proposed fee payable	Rs. 9,00,000/- per year plus taxes and out-of-pocket expenses	Rs. 80,000/- per year plus taxes and out-of-pocket expenses
4	Terms of appointment	5 years	5 years
5	In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor alongwith rationale for such change	Remuneration of Rs. 10,50,000/- per year was being paid to the outgoing Statutory Auditors- M/s Romesh K. Agarwal and Associates, Chartered Accountants, Ludhiana; but their 2 nd term as Statutory Auditors is going to be completed in this ensuing AGM. So, new Statutory Auditors are being appointed at revised remuneration.	No material change

6	Basis for recommendation for appointment including the details in relation to and credentials of the Statutory Auditor(s) or Secretarial Auditor proposed to be appointed	In accordance with the provisions of Companies Act, 2013 read with rules and regulations made thereunder, 2 consecutive terms of outgoing statutory auditors are going to be completed in this ensuing AGM. Therefore, New auditors have been identified and recommended for appointment for a term of 5 years till conclusion of 50 th AGM.	M/s Harshit Arora and Associates, company secretaries were appointed as secretarial auditors for FY 2024-25, in place of M/s Khanna Ashwani and Associates due to their resignation. Re-appointment of M/s Harshit Arora and Associates has been recommended for a term of 5 years from this 45 th AGM till the conclusion of 50 th AGM to be held in 2030 at a remuneration as set out in the above resolution.
		Credentials of Auditors:	
		M/s Navneet Sehgal & Co., Chartered Accountants (FRN. 008199N) are based at Ludhiana. The firm is having a proven record of accomplishment of around more than 38 years in the fields of Accounting, Auditing, Direct and Indirect Taxation, Finance and Consultancy services.	M/s Harshit Arora and Associates, Company Secretaries are based at Ludhiana with proprietor CS. Harshit Arora (M.No. FCS- 12307 and Certificate of Practice No. 14807) having a rich experience of about more than 10 years in the field of Corporate Laws, Auditing & Reporting, Advisory, Corporate Governance, Compliance, Liaison relating to Company Law, Security Law, Merger and Acquisition, legal Due Diligence.

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	Mr. Suresh Kumar Banka
DIN	08847246
Date of Birth	05.07.1961
Date of First Appointment at Board	01.09.2020
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	104 equity shares
Qualification	Commerce Graduate
Board Meetings attended during the year	11 Board Meetings
Directorship of other companies as on 31 st March, 2025	NIL
Chairmanship /Membership of Committees of other Companies as on 31 st March, 2024	NIL
Relationship with other Directors, Manager and KMP	No Relation with other Directors, Manager and KMP
Terms & conditions of appointment and reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	As per Nomination and Remuneration Policy of the company, being Non-Executive Director, he is not drawing any remuneration from the company. However, he is getting sitting fees for attending the meeting.
Listed Entities from which he/ she has resigned in the last 3 years	NIL

2.

Name of Director	Mr. Adish Oswal
DIN	00009710
Date of Birth	18.01.1980

Date of First Appointment at Board	01.08.2009
Expertise in specific functional area and justification for appointment	22 years of rich experience in Textile industry. He has vast experience in selection of technology, machineries and operation of plants. He also spearheads the Groups initiatives in the areas of Finance, Marketing, Business Development, Corporate Communication and Corporate Affairs.
Appointment/Re-appointment	Re-appointment
No. of equity shares held in VPL	42,05,110 equity shares
Qualification	Commerce Graduate from Delhi University. Training programmes in Managerial Finance at Harvard University, in Core Competence, Capability & Strategy at IIM, Ahmedabad & on Strategy for Fast Growing Enterprises at ISB Hyderabad.
Board Meetings attended during the year	13 Board Meetings
Directorship of other companies	1 Panchsheel Textile Manufacturing and Trading Company Private Limited
	2 Ruby Mercantile Company Private Limited
	3 Kent Investments Private Limited
	4 Gagan Mercantile Company Private Limited
	5 Pioneer Mercantile India Private Limited
	6 Calgary Investment and Trading Company Private Limited
	7 Adesh Investment and Trading Company Private Limited
	8 Alma Assets Consultancy Private Limited
	9 Allepy Investment and Trading Company Private Limited
	10 Oswal Infratech Private Limited
	11 Oswal Holding Private Limited
	12 Boras Investment and Trading Company Private Limited
	13 Oswal Tradecom Private Limited
Chairmanship /Membership of Committees of other Companies	NIL
Relationship with other Directors, Manager and KMP	Son of Mrs. Manju Oswal, Director
Terms & conditions of appointment and reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person.	Terms & Conditions as per above provided explanatory statement. Remuneration to be paid: Rs. 30 Lakh per month Remuneration last drawn: Rs. 15 lakh per month* <i>(*Mr. Adish Oswal has voluntarily reduced his remuneration by 50% from Rs. 30 Lakh per month with effect from July 01, 2024 owing to the tough times and need for cost optimization in the company.)</i>
Listed Entities from which he has resigned in the last 3 years	NIL

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 45th Annual Report of Vardhman Polytex Limited ("the Company") along with the Audited Financial Statements for the Financial Year ended 31st March, 2025.

1. Financial Highlights

(Rs. in Lakhs)

PARTICULARS	2024-25	2023-24
Revenue from operations	28,498.24	37,063.81
Other Income	2,608.50	2,897.18
Total Income (1)	31,106.75	39,960.99
Expenses		
Cost of material consumed	20,017.43	32,034.82
Purchase of traded goods	3,896.20	-
Changes in inventories of finished goods	(3,096.56)	471.75
Excise duty on sale of goods	2,531.96	-
Employee benefit expense	1,407.78	3,828.45
Finance costs	898.34	335.25
Depreciation and amortization expense	2,416.13	1,047.95
Other expenses	1,543.07	4,918.74
Total Expenses (2)	29,614.35	42,636.97
Profit from operation before exceptional item and Tax (1-2)	1,492.40	(2,675.98)
Exceptional Items: Income/(Loss)		-
Profit before Tax	1,492.40	(2,675.98)
Less: Tax Expenses:		
Current Tax	-	-
Deferred Tax (Credit)	-	-
Profit after Tax	1,492.40	(2,675.98)
Other Comprehensive Income:		
Re-measurement of defined benefit obligation	27.73	(32.11)
Total Comprehensive Income for the Period	1520.13	(2,708.09)
Earnings Per Share:		
Basic	0.45	(1.08)
Diluted	0.45	(1.08)

Financial Performance & Review

The company was having three production facilities located at Nalagarh (Himachal Pradesh), Ludhiana (Punjab) and Bathinda (Punjab) for the manufacturing of yarns and only production facility at Nalagarh is operational.

Ludhiana Unit:

In March 2025, the company has closed the operations at manufacturing unit located at Focal Point, Ludhiana to explore various avenues for the monetization of real estate potential of the land and streamlining the cash flows of the organization.

Bathinda Unit:

During FY 2023-24, operations at manufacturing unit located at Badal Road, Bathinda were closed due to non-viability due to deteriorating condition of machines, high operational cost and operational losses. Later, it was planned to monetize the land situated at Bathinda Unit to augment funds. The company has received approval from Bathinda Development Authority (BDA) stating its No Objection to establish a Residential Colony subject to other regulatory approvals from Municipal Corporation and other Departments. However, pending these approvals, the land situated at Bathinda unit has been reclassified from fixed assets to inventory in December, 2024 and is valued at fair value, based

on the Bathinda Tehsil's collector rate list for agricultural land. This initial fair value assessment uses agricultural land rates. A full fair market valuation will be determined after the saleable area is precisely ascertained.

During FY 2024-25, Revenue from operations is Rs.28,498.24 Lakhs which has come down by 23.11% from Rs.37,063.81 Lakhs in FY 2023-24. The major reasons for reduction in revenue were closure of operations of Bathinda Unit and the lower/irregular production activities of manufacturing unit at Ludhiana and thereafter, its closure as stated above. There is PBT of Rs.1492.40 Lakhs during FY 2024-25 as compared to last year's loss of Rs.2675.98 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. However, the land situated at Bathinda unit has been reclassified from fixed assets to inventory in December, 2024 initiating the Real Estate Segment of the company in addition to the existing Textile 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, 2025.

7. Directors & Key Managerial Personnel

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

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, 2025, Fifteen (15) meetings of the Board were held on the following mentioned dates:

SR. NO.	DATE OF BOARD MEETING
1	06-05-2024
2	27-05-2024
3	10-06-2024
4	14-08-2024
5	22-08-2024
6	28-08-2024
7	09-10-2024
8	25-10-2024
9	14-11-2024
10	17-12-2024
11	18-12-2024
12	14-02-2025
13	10-03-2025
14	27-03-2025
15	28-03-2025

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 14.02.2025, through discussion, evaluated the performance of non independent directors, Board, Managing Director and Executive Directors except the director being evaluated. The minutes of the said meeting were submitted to Chairman of the Company and also placed before the Board for their consideration. The Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committee.

While evaluating the performance, the following points were considered:

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

- v. Strategic perspectives or inputs regarding future growth of Company and its performance.

11. **Familiarization programme for Independent Directors**

During FY 2024-25, 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/pdf/disclosure/Familiarisation_Programme.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, 2025, 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, 2025 and of the profit and loss of the Company for the year ended 31st March, 2025;

- 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, 2025 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. **Reporting of Fraud by Auditors**

During the year under review, Statutory Auditors, Internal Auditors and Secretarial Auditors have not reported any instances of fraud committed in the Company by its or Employees to the Audit Committee under Section 143(12) of the Companies Act.

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 2025.

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, 2025 and the

date of this Report.

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

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

20. Changes in Capital Structure

During FY 2024-25, capital structure of the company has been changed in the following manner:

- Sub-division/ split of equity shares of Rs. 10 each into 10 shares of Re. 1 each was done on 18.05.2024.
- 8,00,00,000 shares of Re.1 each were allotted on conversion of 80,00,000 warrants allotted on preferential share basis to non-promoters.
- 8,30,59,434 shares of Re.1 each were allotted on rights basis.
- 7,24,50,000 convertible warrants were issued to an entity falling under Promoter Group as per Reg. 2(1) (pp) of SEBI (ICDR) Regulations, 2015. Out of this, 2,29,25,000 equity shares of Re. 1 each have been allotted on conversion of 2,29,25,000 warrants. As on date, 4,95,25,000 convertible warrants stand pending for conversion according to the terms.

Consequently, Paid-up capital of the company has been increased to Rs.45,88,94,004/- consisting of 45,88,94,004 equity shares having of Re.1 each as on 31.03.2025.

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 against the company.

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 2024-25.

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

Amount outstanding as on March 31, 2025

Particulars	(Rs. In Lakh) Amount
Loans given	Nil
Guarantees given	Nil
Investments made	0.62

During the FY 2024-25, there are no transactions pertaining to Loans, Guarantees given or Investments made.

24. Related Party Transactions

During FY 2024-25, 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 the

year, 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 2024-25, 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/pdf/disclosure/policy-on-related-party-transactions-2025.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. Internal Audit Reports along with the management response/action plans are reviewed by the Audit Committee, on a quarterly basis. 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, 2025:

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, 2025:

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 and Audit Report

M/s. Romesh K. Aggarwal and Associates, Chartered Accountants, Ludhiana (Firm Registration No. 000711N), were appointed as Statutory Auditors of the Company at 40th Annual General Meeting (AGM) held on 29.09.2020 for a second term of five consecutive years and they hold the office till the conclusion of 45th AGM to be held on 28.08.2025.

M/s Navneet Sehgal & Co, Chartered Accountants, Ludhiana (Firm Registration No. 008199N) are being appointed as Statutory Auditors of the Company at the ensuing 45th AGM to be held on 28.08.2025 for a period of five years.

The firm is having a proven record of accomplishment of around more than 38 years in the fields of Accounting, Auditing, Direct and Indirect Taxation, Finance and Consultancy services.

The Auditors' Report for FY 2024-25 does not contain any qualifications, reservations or adverse remarks, which require explanations/comments by the Board.

ii) Secretarial Auditors

Pursuant to the provisions of the Act and the Rules made thereunder, the Board of Directors of the Company had appointed M/s Harshit Arora and Associates, Practising Company Secretaries, in place of M/s Khanna Ashwani and Associates due to their resignation, to conduct the Secretarial Audit of the Company for the Financial Year ended 31st March 2025.

The Secretarial Audit Report for the Financial Year ended 31st March, 2025 is annexed herewith as 'Annexure- C', which forms part of this report. There has been no qualification, reservation, adverse remark or disclaimer given by the Secretarial Auditors in their Report.

Further, in terms of the requirement of the Regulation

24A of the SEBI Listing Regulations, the Board on recommendation of the Audit Committee has approved the appointment of M/s Harshit Arora and Associates, Practising Company Secretaries as the Secretarial Auditors of the Company for five years i.e. from FY 2025-26 to FY 2029-30, subject to the Shareholders' approval at the ensuing AGM.

iii) Cost Auditors

M/s Ramanath Iyer & Company, Cost Accountants, New Delhi were appointed as the Cost Auditors of the Company for FY 2024-25 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, 2026. 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 2024-25.

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 2024-25 and also for the year 2025-26.

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 compliant 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/VPL_Annual%20Return%202024.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 Hahn, Director and Mr. Ishwinder Maddh (erstwhile Alternate director to Mr. Josef Hahn) alleging that the activities and acts of Mr. Josef Hahn and Mr. Ishwinder Maddh are in the manner oppressive to VPL. VPL also filed petition before the CLB to declare that allotment of 1,90,15,920 shares to IRIS (presently held by MUT) as void ab initio for want of consideration and rectify the register by cancelling the allotment made to IRIS. In furtherance of the petition filed by the Company, the MUT filed an application against OFMHT for oppression and mismanagement. The

Company Law Board (CLB) vide its consolidated order dated 13.08.2015 has dismissed all the petitions. The matter pertaining to rectification of register of members was disposed off against VPL. The same was challenged before the Punjab & Haryana High Court at Chandigarh and a stay was granted in the matter by the Hon'ble High Court. In response to the order of CLB dated 13.08.2015, Hahn 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

The Board places on record its sincere appreciation for the immense support received from the customers, vendors, business associates, shareholders, Financial Institutions, Governments and for the significant contribution made by employees of the Company.

For and on behalf of the Board

Sd/-

(Adish Oswal)

Chairman and Managing Director
(DIN-00009710)

Date: 28.07.2025
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:

a) 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.

b) 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.

c) 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.

d) 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 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	1	1
2	Mrs. Manju Oswal	Member		
3	Mrs. Sanchi Taneja	Member		

3. Composition of CSR Committee is also available on website of Company 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 Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1			
2		NIL	
Total			

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

Net Profit/ (Loss) for FY 2023-24: (Rs. 2675.98 Lakh)

Net Profit/ (Loss) for FY 2022-23: Rs. 149.14 Lakh

Net Profit/ (Loss) for FY 2021-22: (Rs. 1,555.55 Lakh)

Average of Three years: (Rs. 1,360.80 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 Rs.)	Amount Unspent (in Rs.)				
	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 Rs.)	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 Rs.)	Amount Unspent (in Rs.)				
	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 Rs.)	Amount transferred to any fund specified under Schedule VII, if any			Amount remaining to be spent in succeeding financial year (in Rs.)
				Name of the Fund	Amount (in Rs.)	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 Rs.)	Amount spent on the project in the reporting FY (in Rs.)	Cumulative amount spent at the end of reporting FY (in Rs.)	Status of the project (Completed/ On going)
1								
2					N.A.			
3								
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

Chairman CSR Committee

DIN: 00009710

Date: 28.07.2025

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 **31.03.2025** 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 **31.03.2025** 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 (**Buyback of Securities**) Regulations, 2018; not applicable to the company during period of audit. and
 - (j) 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 10.07.2025 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
15. The Provisions of Maternity Benefit Act, 1961

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

Furthermore, during the review period the yarn manufacturing operation of Ludhiana Unit, situated at Focal Point, Ludhiana was closed by the company.

We are issuing this report on the basis of compliance certificates provided by the functional head 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

- **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.

For Harshit Arora & Associates
(Peer Reviewed firm of company Secretaries)

Place: Ludhiana
Date: 16/07/2025

Sd/-
(Harshit Arora)
(Practicing Company Secretary)
(B.Com, FCS)
M.No: F12307, CP No. 14807
Peer Review Number: 2073/2022
UDIN: F012307G000795421

❖ **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.

For Harshit Arora & Associates
(Peer Reviewed firm of company Secretaries)

Place: Ludhiana
Date: 16/07/2025

Sd/-
(Harshit Arora)
(Practicing Company Secretary)
(B.Com, FCS)
M.no: F12307, CP No. 14807
Peer Review Number: 2073/2022
UDIN: F012307G000795421

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	116:1	NIL
2.	Mr. Radhamohan Soni (Chief Financial Officer)	19:1	8.00%
3.	Mr. Ajay K. Ratra (Company Secretary)	17:1	12.50%

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

- b) The median remuneration of employees of the company during the financial year: Rs. 12,918
- c) The percentage increase in the median remuneration of employees in the financial year: 2.55%
- d) Number of permanent employees on the rolls of company as on 31st March, 2025: 639
- e) The average annual increase in the salaries of employees other than managerial personnel during the financial year was around: 10%
- f) The company hereby affirms that the remuneration is as per the remuneration policy of the company.
2. Information as per rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- a) Details of the top ten employees (permanent) in terms of remuneration drawn during the year ended 31st March, 2025

Sr. No.	Name of Employee	Age (In Years)	Designation	Qualification	Total Experience (In Years)	Date of commencement of employment in VPL	Remuneration drawn during the year (Rs in Lakh)	Previous employer
1	Mr. Adish Oswal*	45	Chairman & Managing Director	B.Com	22	27.03.2003	201.80	-
2	Mr. Arijit De	41	Vice President-Business Strategy & Planning	B.Tech, MBA	19	08.04.2024	34.48	Adani Airport Holding Limited
3	Mr. Amit Pandey	51	General Manager-Operation	B.Tech Textile Technology	30	01.03.1997	23.33	Delhi Cloth Mills
4	Mr. Ajay Kumar Ratra	54	Company Secretary	B.Com, CS	30	01.11.2018	21.90	Lakshmi Energy and Foods Limited
5	Mr. Dibyakant Singh	42	Vice President-HRD	MBA	18	19.08.2024	21.08	Trident Group
6	Mr. Vijay Arora	55	Associate Vice President	B.Com, LLB	30	20.10.1998	15.36	Annant Spinning Mills
7	Mr. Radhamohan Soni	53	Chief Financial Officer	B.Com, ICWA	29	08.05.2006	14.90	Kundan Edible Products Limited

8	Mr. Akshay Bajaj	54	Senior Manager-Marketing	BBA, MBA	11	18.03.2019	13.98	Excel Enterprises
9	Mr. Nityanand Kundu	48	Associate General Manager	B.Tech	26	12.08.1999	12.33	Auro Spinning Mills
10	Mr. Brajendra Singh	46	Chief Manager-Research & Development	B.Tech, M.Tech	25	07.03.2022	9.36	Nahar Mill

** Mr. Adish Oswal, Chairman & Managing Director has voluntarily reduced his remuneration by 50% with effect from 01.07.2024 owing to the tough times and need for cost optimization in the company.*

Note:

- All are permanent employees, and are governed by letter of employment.
 - No employee of the company holds such percentage of equity shares within the meaning of clause (iii) of rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
 - No employee is relative of any director or manager of the Company except Mr. Adish Oswal being son of Mrs. Manju Oswal.
- b) Details of employees who are getting remuneration of Rs. 1,02,00,000 or more Per Annum or Rs. 8,50,000/- or more per month**

Sr. No.	Name of Employee	Age (In Years)	Designation	Qualifications	Total Experience (In Years)	Date of commencement of employment in VPL	Remuneration drawn during the year (Rs in Lakh)	Previous employer
1	Mr. Adish Oswal	45	Chairman & Managing Director	B.Com	22	27.03.2003	201.80	-

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

1. **Conservation of energy:**

The company initiated several steps to conserve energy, wherever possible. The Energy Conservation Cell continuously meets, conducts studies, verifies and monitors the consumption and utilization of energy including identification of energy conservation areas in the different manufacturing units of the Company.

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

Energy saving measures taken in 2024-25	Power saving (in Kwh/Rs.)	Investment (Rs. in lakh)
Replacement of GA75-FF Water-cooled 10bar compressor & GA22-FF Air-cooled 10bar compressor with DSD-175 T Air-cooled 8.5bar Compressor	Units saved: 250 Units/day Saving/year: 4.42 lac/year	Arranged from Bathinda Plant
Installation of Inverter on H Plant of Ring frame on two supply air fans (2Nos*30KW)	Units saved: 300 Units/day Saving/year: 7.4 lac/year	Arranged from VPL Ludhiana Plant

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

Replacement of GA75-FF Water-cooled 10bar compressor & GA22-FF Air-cooled 10bar compressor with DSD-175 T Air-cooled 8.5bar Compressor.

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.

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

(a) the details of technology imported;

- 1- Contamination clearer in Blow room(Uster Josi Vision shield 2/T & magic eye 2
- 2- Uster Quality expert
- 3- Uster Vision Expert
- 4- New Card LC361 installation

(b) the year of import: 2025

(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

c) **Expenditure on R&D**

(Rs.in lakh)

Particulars	2024-25	2023-24
Capital	1.99	2.46
Recurring	6.54	6.02
Total	8.53	8.48
As % of Turnover	0.030	0.023

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

(Rs. in lakh)

Particulars	2024-25	2023-24
Earnings (FOB value of exports)	-	-
CIF value of imports	-	-
Expenditure in foreign currency	12.33	6.47

Date : 28.07.2025
Place: Ludhiana

For and on behalf of the Board
Sd/-

Adish Oswal
Chairman & Managing Director
(DIN- 00009710)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

Global Economy

The global economic expansion steadily continued in 2024, although growth was uneven amidst geopolitical tensions, geoeconomic fragmentation, heightened trade tensions and elevated public debt. Global gross domestic product (GDP) grew 3.3% in 2024, as compared to 3.5% a year ago. Global inflation eased to 5.7% in 2024 from 6.6% a year ago as the effect of monetary tightening took hold along with the easing of supply chain pressures; however, it was still above the pre-pandemic average, with elevated services inflation persisting in some major advanced economies. (Source: RBI Annual Report 2024-25)

The global environment has been tough, with tariffs creating a great deal of uncertainty. Uncertainty regarding the evolution of trade tariff policies could lead to volatility in global financial markets.

Indian Economy

The Indian economy remained resilient during 2024-25, supported by robust macroeconomic fundamentals, proactive policy measures and sustained government capital expenditure. Although real gross domestic product (GDP) growth moderated to 6.5 per cent in 2024-25, India remained the fastest growing major economy. Economic activity was supported by an improvement in consumption demand and net exports on the expenditure side, and buoyant services sector and recovery in agricultural production on the supply side.

The Indian economy is poised to sustain its position as the fastest growing major economy during 2025-26, supported by pickup in private consumption, healthy balance sheets of banks and corporates, easing financial conditions and the government's continued thrust on capital expenditure. The easing of supply chain pressures, softening of global commodity prices and higher agricultural production on the back of a likely above-normal south-west monsoon augur well for the inflation outlook in 2025-26. Financial markets may exhibit sporadic episodes of volatility triggered by turbulent global financial markets in the wake of heightened uncertainty regarding the evolution of trade tariff policies, among others. Export sector is also expected to encounter some headwinds from rising geopolitical tensions, inward-looking policies and risk of potential tariff-war among major economies. However, India's participation in 14 free trade agreements (FTAs) and six preferential trade agreements (PTAs), along with the new trade deals under negotiation with the US, Oman, Peru and the European Union (EU) may support growth in trade. (Source: RBI Annual Report 2024-25)

INDUSTRY STRUCTURE & DEVELOPMENTS

Global Textile Industry

The global textile industry is a large and complex market and the global textile market size is calculated at USD 2,123.72 billion in 2025 and is forecasted to reach around USD 4,016.50 billion by 2034, accelerating at a CAGR of 7.35% from 2025 to 2034. Key drivers for projected continued growth include increasing apparel demand, the rise of e-commerce, and the expansion of the automotive industry, which relies on textiles for various components. Asia-Pacific, particularly China and India, dominates the global textile market. The textile market is segmented by raw material (e.g., cotton, chemical fibers), product type (e.g., natural fibers, polyesters), application (e.g., household, technical), and

region. Key trends include the increasing demand for sustainable and innovative textile solutions, automation in textile machinery, and the rise of e-commerce platforms for textile sales. The high initial capital investment required for modern textile machinery can be a challenge for smaller businesses. The textile industry faces growing pressure to address environmental concerns, such as waste management and the use of sustainable materials. Low wages for garment workers in developing countries are a persistent issue, with organizations working to improve working conditions and fair wages.

Indian Textiles Industry

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The Indian textile industry is a major global player, renowned for its diverse production, significant export contributions, and large workforce. It contributes to 2.3% India's GDP, 13% to industrial production, and 12% to exports, while also providing employment for millions, including women and rural populations. It employs over 45 million people, making it a major source of jobs, particularly in rural areas. The industry produces a wide range of textiles, from natural fibers like cotton, silk, and wool to synthetic fibers like polyester and nylon. India is a significant producer of handloom fabrics and handicrafts, which are known for their unique designs and patterns.

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

Opportunities & Threats

The Indian textile industry faces both significant opportunities and substantial threats. Opportunities include a growing domestic market, rising global demand, and government initiatives to boost exports and investment. A larger middle class, e-commerce penetration, and evolving consumer preferences are driving demand for textiles within India. Shifting global supply chains and increasing global interest in Indian textiles present opportunities for export growth.

However, threats include intense global competition, fluctuating raw material costs, infrastructure limitations, and the need to adapt to sustainability and environmental regulations. The rise of fast fashion and the associated waste pose a challenge for India's textile industry, though there are also opportunities in the recycling and circular economy. The industry's fragmented supply chains can also hinder efficiency and competitiveness. A growing focus on textile recycling and circular economy creates opportunities for green jobs.

COMPANY OVERVIEW & ROLE

Vardhman Polytex Limited manufactures yarns that are synonymous with the highest quality. 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 endeavors to put forth fresh products through constant innovation and synchronization with trends.

Presently, the company has production facility located at Nalagarh, Himachal Pradesh.

Bathinda Unit:

During FY 2023-24, operations at manufacturing unit located at Badal Road, Bathinda were closed due to non-viability due to deteriorating condition of machines, high operational cost and operational losses. Later, it was planned to monetize the land situated at Bathinda Unit to augment funds. The company has received approval from Bathinda Development Authority (BDA) stating its No Objection to establish a Residential Colony subject to other regulatory approvals from Municipal Corporation and other Departments. However, pending these approvals, the land situated at Bathinda unit has been reclassified from fixed assets to inventory in December, 2024 and is valued at fair value, based on the Bathinda Tehsil's collector rate list for agricultural land. This initial fair value assessment uses agricultural land rates. A full fair market valuation will be determined after the saleable area is precisely ascertained.

Ludhiana Unit:

In March 2025, the company has closed the operations at manufacturing unit located at Focal Point, Ludhiana to explore various avenues for the monetization of real estate potential of the land and streamlining the cash flows of the organization.

Segment-wise/Product-wise Performance

The company operates in two segments i.e Textiles and Real Estate.

Product-wise sale details are as under:

Rs. in Lakh

Sale of products	2024-25	2023-24
Grey yarn	20,994.62	31,604.47
Dyed yarn	-	64.51
Garments	4,517.81	128.37
Waste sale	2,939.81	5,273.74
Trading goods (textile)	45.50	0.60
Job charges income	0.50	3.87
Total	28,498.24	37,075.56

Outlook

The company will primarily focus on implementing cost-cutting measures, enhancing productivity, minimizing waste, elevating product quality, and improving operational efficiency to make offerings more cost-competitive. Additionally, efforts will be directed toward reducing debt-related costs. The company is optimistic about the generation of revenue from real estate segment by monetization of lands situated at Bathinda and Ludhiana. Despite the challenges, the company remains optimistic about a strong recovery. These are testing times for all of us, but with our strong brand reputation and established market network, we are confident of getting back on track soon.

Management perception of Risk & Concerns

Textile industry faces numerous challenges, including rising raw material costs, infrastructure bottlenecks, competition from other countries, and the need for greater technological adoption and sustainability practices. Additionally, fragmentation and lack of scale hinder competitiveness.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans

of the Company are imperative. Mitigating risks in the textile industry requires a multifaceted approach, including focusing on raw material supply, financial stability, operational efficiency, and environmental sustainability. This involves developing diverse sourcing strategies, strengthening creditworthiness and implementing robust safety protocols.

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

Earlier, the company had three production facilities located at Nalagarh (Himachal Pradesh), Ludhiana (Punjab) and Bathinda (Punjab) for the manufacturing of yarns. Currently, the production facility at Ludhiana only is operational. The company has closed the operations at manufacturing units located at Bathinda and Focal Point, Ludhiana due to non-viability on account of deteriorating condition of machines, high operational cost and also to explore various avenues for the monetization of the land.

During FY 2024-25, Revenue from operations is Rs.28,498.24 Lakhs which has come down by 23.11% from Rs.37,063.81 Lakhs in FY 2023-24. The major reasons for reduction in revenue were closure of operations of Bathinda Unit and the lower/irregular production activities of manufacturing unit at Ludhiana during the year and thereafter, its closure. There is PBT of Rs.1492.40 Lakhs during FY 2024-25 as compared to last year's loss of Rs.2675.98 Lakh.

The past few years have posed significant challenges for the company, demanding both resilience and adaptability. Liquidity position of the company was also under pressure, which has affected our operations. The company is exploring various avenues for the monetization of real estate potential of the lands situated at Bathinda and Ludhiana which will streamline the cash flows of the organization. Management remains confident that the company will recover from its current downturn, paving the way for renewed growth and profitability.

Resource utilization:

The gross fixed assets as at 31st March, 2025 were Rs.35,697.77 lakh as against Rs.38,487.73 lakh in the previous year. The Net

block of assets as on 31st March, 2025 was Rs.11,334.10 lakh as compared to Rs.12,887.95 lakh in the previous year.

Inventory levels as at 31st March, 2025 were Rs.4,376.34 lakh as against Rs.1,681.23 lakh in the previous year. The trade receivable as at 31st March, 2025 were Rs.422.28 lakh as against Rs.3.57 lakh in the previous year.

Financial condition & liquidity:

(Rs. In Lakh)

Particulars	2024-25	2023-24
Cash & cash equivalents		
Beginning of the year	111.00	43.61
End of the year	43.65	111.00
Net cash provided(used) by:		
Operating Activities	(9827.66)	(1378.31)
Investing Activities	3064.50	2628.85
Financial Activities	6695.81	(1183.15)

Human Resources Development:

The total number of employees as on 31st March, 2025 were 639. 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 2024-25	FY 2023-24
(i) Debtors Turnover Ratio (Days)	12.24	5.37
(ii) Inventory Turnover Ratio (Days)	56.05	16.56
(iii) Interest Coverage Ratio	2.06	-6.98
(iv) Current Ratio	0.58	0.33
(v) Debt Equity Ratio	-0.22	-0.21
(vi) Operating Profit Margin (%)	10.18	-6.32
(vii) Net Profit Margin (%)	5.33	-7.31
(viii) Return on Net Worth (%)	0.067	-0.075

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 2 woman directors. The half of the Board comprises of Independent Directors. In the opinion of the Board, all our Directors possess requisite qualifications, experience, expertise and hold high standards of integrity.

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. Sandeep Mehta, Independent Director of the company has tendered resignation from the directorship w.e.f 02.04.2024 due to other professional commitments. Board places on record its sincere appreciation for their invaluable contribution to the company. Further, Mr. Mehta has also confirmed that there are no other material reasons apart from as mentioned above, for resignation from directorship of the company.

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

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	<p>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.</p> <p>He is having 22 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.</p>

Mrs. Manju Oswal	Wide experience of more than 32 years in the textiles and administration
Mr. Sandeep Mehta (upto 02.04.2024)	Commerce Graduate with Master's Degree in Business Administration having rich experience of more than 28 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. Sagar Bhatia	Graduate with experience of more than 10 years having expertise in accounting and finance.
Mrs. Sanchi Taneja	She is a Commerce Graduate from Punjab University and Chartered Accountant. She is having over 12 years of track record in the fields of Accounts, Direct and Indirect Taxation.
Mr. Rohit Jain	He is Chartered Accountant and Post Graduate in Commerce. He is having rich experience of more than 7 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, 15 (Fifteen) 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	06/05/2024
2	27/05/2024
3	10/06/2024
4	14/08/2024
5	22/08/2024
6	28/08/2024
7	09/10/2024
8	25/10/2024
9	14/11/2024
10	17/12/2024
11	18/12/2024
12	14/02/2025
13	10/03/2025
14	27/03/2025
15	28/03/2025

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	No. of Directorship in other Companies [^]		No. of other Board Committees ^{^^}	
					Chairperson	Member	Chairperson	Member
Mr. Adish Oswal (DIN: 00009710) Chairman & Managing Director	Promoter-Executive	4205110	13/15	NO	-	12	-	-
Mrs. Manju Oswal (DIN: 00009449)	Promoter, Non-Executive	526940	13/15	YES	-	3	-	-
Mr. Suresh Kumar Banka (DIN: 08847246)	Non-Executive	104	11/15	YES	-	-	-	-
Mr. Sandeep Mehta* (DIN: 09439403)	Non-Executive Independent Director	NIL	NIL	YES	-	-	-	-
Mr. Sagar Bhatia (DIN: 09691116)	Non-Executive Independent Director	NIL	14/15	YES	-	-	-	-

Mrs. Sanchi Tane (DIN: 08857114)	Non-Executive Independent Director	NIL	15/15	YES	-	1	-	1
Mr. Rohit Jain** (DIN: 07950251)	Non-Executive Independent Director	NIL	13/15	NO	-	-	-	-

* Mr. Sandeep Mehta has resigned from the company w.e.f 02.04.2024

** Mr. Rohit Jain was appointed as Directors under category of Non-Executive Independent Director w.e.f. 28.03.2024.

^ Directorship includes alternate directorship and exclude foreign directorship.

^^ As per Regulation 26 of SEBI (LODR), Membership/ Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies (listed and unlisted) have been considered.

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 (upto 02.04.2024)	-
5	Mr. Sagar Bhatia	-
6	Mrs. Sanchi Taneja	-
7	Mr. Rohit Jain	-

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.pdf

e) Remuneration of Directors:

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

Details of Remuneration paid to the Directors during the year:

(Rs. in Lakh)

Name	Designation	Salary	Benefits, Allowances & other Perquisites	Sitting Fee	Total Remuneration
Mr. Adish Oswal*	Chairman & Managing Director	201.80	-	NA	201.80
Mrs. Manju Oswal	Non- Executive Non-Independent Director	--	--	1.36	1.36
Mr. Suresh Kumar Banka	Non- Executive Non-Independent Director	--	--	0.83	0.83
Mr. Sandeep Mehta (upto 02.04.2024)	Non- Executive Independent Director	--	--	-	-
Mr. Sagar Bhatia	Non- Executive Independent Director	--	--	1.05	1.05
Mrs. Sanchi Taneja	Non- Executive Independent Director	--	--	1.55	1.55
Mr. Rohit Jain	Non- Executive Independent Director	--	--	1.22	1.22

* Mr. Adish Oswal, Chairman & Managing Director has voluntarily reduced his remuneration by 50% with effect from 01.07.2024 owing to the tough times and need for cost optimization in the company.

- 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 and there is not service contract with any of the 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. In the opinion of the Board, all IDs fulfill the conditions as specified in the SEBI (LODR) and are independent of the management.

Further, the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

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/pdf/disclosure/Familiarisation_Programme.pdf

During the year, a separate meeting of the independent directors was held on 14.02.2025 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 31.03.2025 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 Four times during the year on 27.05.2024, 14.08.2024, 14.11.2024 and 14.02.2025. Attendance of the members of the Committee is given below:

Members	Category	Meetings Attended
Mrs. Sanchi Taneja (Chairperson)	Non-Executive Independent Director	4
Mrs. Manju Oswal (Member)	Non-Executive Non-Independent Director	3
Mr. Rohit Jain (Member)	Non-Executive Independent Director	4

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 27.05.2024, 14.08.2024, 14.11.2024 and 14.02.2025. The composition and attendance of committee is as under:

Members	Category	Meetings Attended
Mrs. Manju Oswal (Chairperson)	Non- Executive Director	3
Mr. Adish Oswal (Member)	Chairman & Managing Director	4
Mrs. Sanchi Taneja (Member)	Non-Executive Director	4

During the financial year 2024-25, the Company has received only One complaint, which has been resolved. As on 31.03.2025, there is no complaint pending unresolved.

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, three (3) committee meetings were held on 14.08.2024, 22.08.2024 and 14.11.2024. The composition of committee and attendance is given hereunder:

Members	Category	Meetings Attended
Mrs. Sanchi Taneja (Chairman)	Non-Executive Independent Director	3
Mrs. Manju Oswal (Member)	Non-Executive Non-Independent Director	3
Mr. Rohit Jain (Member)	Non-Executive Independent Director	3

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 31.03.2025:

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. Dibyakant Singh	Vice President- HRD

Changes in Senior Management during the Financial Year 2024-25:

Sr. No.	Name	Reason for change
1	Mr. Sudipta Kumar Bhattacharyya	Resign
2	Mr. Parvinder Singh Bharaj	Resign
3	Mr. Dibyakant Singh	Appointment

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
44 th AGM	Friday, 29 th day of September, 2024 at 11:00 AM	Regd. Office: Vardhman Park, Chandigarh Road, Ludhiana - 141 123	--
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

Postal Ballot:

During the year 2024-25, four Special Resolutions were passed on 04.05.2024 through Postal Ballot. Voting pattern of the 4 Special Resolutions are mentioned hereinbelow:

Sr. No.	Particulars of Resolution	% of votes in favour on votes polled	% of votes against on votes polled	Status of Resolution
1	To consider and approve Sub-division/ Split of Equity Shares of the Company having face value of Rs. 10/- per share to Re. L/- per share	99.999	0.001	Resolution was passed with requisite majority
2	To consider and approve the Alteration of Capital Clause of Memorandum of Association of the Company	99.999	0.001	Resolution was passed with requisite majority
3	To sell, lease or otherwise dispose of inefficient, obsolete and redundant Plant & Machinery situated at Bathinda Unit of Company	99.999	0.001	Resolution was passed with requisite majority
4	To consider and appoint Mr. Rohit Jain (DIN: 07950251) as Independent Director	99.999	0.001	Resolution was passed with requisite majority

Procedure for Postal Ballot:

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued Postal Ballot Notice dated 28th March, 2024 to the shareholders, seeking their consent with respect to the businesses as specified above. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules and general circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company had provided remote e-voting facility to all the shareholders of the Company. The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for facilitating e-voting to enable the shareholders to cast their votes electronically. The Board of Directors had appointed M/s Khanna Ashwani and Associates, Company Secretary, Ludhiana, as the Scrutinizer for Postal Ballot process. The remote e-voting period commenced on Friday, 05th April, 2024 (9:00 A.M. IST) and ended on Saturday, 04th May, 2024 (5:00 P.M. IST) (both days inclusive). The cut-off date, for the purpose of determining the number of shareholders was Friday, 29th March, 2024. After the completion of scrutiny of postal ballot process, the scrutinizer submitted his report and voting results had been declared in accordance with the applicable laws.

No Special Resolution(s) requiring a Postal Ballot is being proposed at the ensuing AGM of the Company.

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, official news releases, if any, and shareholding pattern of the Company are also available on the Company's website viz. www.vpl.in

During the year ended 31st March, 2025, no presentations were made to institutional investors or analysts.

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 related parties (such as 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-related-party-transactions-2025.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.

FY 2022-23:

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 some of the discretionary requirements such as Women Independent Director and direct reporting by Internal Auditor to Audit Committee as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.
- e) The detail of total fees for all services paid, by the listed entity and its subsidiary, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, is given hereunder:

S. No.	Name of Entity	Relationship with VPL	Details of Services	Amount (Rs.Lakh)
1	Vardhman Polytex Limited	-	Statutory Audit	10.50
2	Vardhman Polytex Limited	-	Tax Audit	1.50
3	Vardhman Polytex Limited	-	Out of pocket expenses	0.18
	Total			12.18

- 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. Status of complaints received during the year:

Sr. No.	Particulars	Details
1	Number of complaints filed during the financial year	NIL
2	Number of complaints disposed-off during the financial year	NIL
3	Number of complaints pending for more than 90 days	NIL
4	Number of complaints pending as on end of the financial year	NIL

- g) During the year under review, the company is in fully compliance of Maternity Benefits Act, 1961.
- h) 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.
- i) 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.
- j) The Board of Directors had accepted all the recommendations, if any, as and when received from its Committees on different matters.
- k) Details of Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):

Details of utilization of funds raised during the FY 2023-24 through Preferential Issue is as under:

S r . No.	Particulars	Date	Amount Received (Rs.)	Category of Investors	Utilization of funds
1	Allotment of 130,00,000 warrants	27.06.2023	13,16,25,000/-	Non-Promoters	<p>The proceeds of the preferential issue has been utilized for the following purposes:</p> <ul style="list-style-type: none"> ➤ To augment the net worth of the Company and to broad base the capital structure of the company required for its business growth. ➤ To meet increased working capital requirements. ➤ To repay the debt of the Company. ➤ To meet the long term fund requirements of the Company. ➤ General corporate purpose or such other objects, as the Board may from time to time decide in the best interest of the Company.
2	Allotment of 20,00,000 shares of Rs. 10 each on conversion of 20,00,000 warrants	09.09.2023	6,07,50,000/-	Non-Promoters	
3	Allotment of 30,00,000 shares of Rs. 10 each on conversion of 30,00,000 warrants	26.10.2023	9,11,25,000/-	Non-Promoters	

Details of utilization of funds raised during the FY 2024-25 through Preferential Issue is as under:

Sr. No.	Particulars	Date	Amount Received (Rs.)	Name of Investor	Utilization of funds
1	Allotment of 3,00,00,000 shares upon conversion of 30,00,000 warrants	25.10.2024	9,11,25,000/-	Non-Promoters	<p>The proceeds of the preferential issue has been utilized for the following purposes:</p>
2	Allotment of 2,91,00,000 shares upon conversion of 29,10,000 warrants	14.11.2024	8,83,91,250/-	Non-Promoters	

3	Allotment of 2,09,00,000 shares upon conversion of 20,90,000 warrants	17.12.2024	6,34,83,750/-	Non-Promoters	<ul style="list-style-type: none"> ➤ To augment the net worth of the Company and to broad base the capital structure of the company required for its business growth. ➤ To meet increased working capital requirements. ➤ To repay the debt of the Company. ➤ To meet the long term fund requirements of the Company. ➤ General corporate purpose or such other objects, as the Board may from time to time decide in the best interest of the Company.
4	Allotment of 7,24,50,000 convertible warrants	27.03.2025	22,73,11,875/-	Entity falling under the definition of Promoter Group as per Regulation 2(1)(pp) of SEBI (ICDR) Regulations, 2018	<p>The proceeds of the preferential issue has been utilized for the following purposes::</p> <ul style="list-style-type: none"> ➤ To repay the debt/creditors of the Company ➤ To meet working capital requirements' ➤ iii. General Corporate Purpose and issue expenses
5	Allotment of 2,29,25,000 shares upon conversion of 2,29,25,000 warrants	28.03.2025	21,57,81,563/-		

During the Current FY 2024-25, amount raised through Preferential Issue in FY 2023-24, has been fully utilized.

I) **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.
- There is no share in the demat suspense account or unclaimed suspense account.
- During the year, there is no such type of agreement as stated mentioned in clause 5A of paragraph A of Part A of Schedule III has been entered
- 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.
- During the FY 2024-25, the company has not given any loans and advances in the nature of loans to the firms/ companies in which directors are interested.
- During the year, company is in compliance of the requirements of corporate governance report of sub para 2 to 10 of para C of Schedule V of SEBI (LODR) Regulations, 2015.

9. **GENERAL SHAREHOLDERS INFORMATION:**

I) **45th Annual General Meeting**

Date : Thursday, 28th August, 2025
Time : 11:00 A.M.
Venue : Vardhman Park, Chandigarh Road, Ludhiana-141123

II) **Financial Year** : 1st April, 2024 to 31st March, 2025

III) **Financial Calendar for 2024-25 (Results were announced in):**

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

IV) **Financial Calendar for 2025-26 (Tentative):**

First Quarter Results August, 2025
Second Quarter Results November, 2026
Third Quarter Results February, 2027
Fourth Quarter/Annual Results May, 2027

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 2024-25 and also for the year 2025-26.

VII) **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

VIII) **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.

IX) **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. 99.33% of the paid up equity share capital comprising 45,58,19,764 shares are in dematerialized form as on 31st March, 2025.

X) **Distribution of Shareholding as on 31st March, 2025:**

Range (No. of shares)	Shareholders		Shares	
	Numbers	%age	Numbers	%age
Upto 500	16041	60.02%	1724854	0.38%
501 - 1000	3941	14.75%	3534673	0.77%
1001 - 5000	4849	18.14%	11087457	2.42%
5001 - 10000	865	3.24%	6789817	1.48%
10001 & Above	1029	3.85%	435757203	94.96%
Total	26,725	100.00%	45,88,94,004	100.00%

XI) Shareholding Pattern of the Company:

Sr. No.	Category of the shareholders	As on 31 st March, 2025	
		No. of Shares	%age
1.	Promoters/Promoter Group	15,70,22,910	34.22%
2.	Foreign Portfolio Investors (FPIs) category II	24,91,112	0.54%
3.	Mutual Funds & UTI	18,000	0.00%
4.	Banks, Financial Institutions, Insurance Co.	0	0.00%
5.	Bodies Corporate	2,80,19,005	6.11%
6.	Indian Public	26,39,82,371	57.53%
7.	NRIs, OCBs, FIIs	16,08,280	0.35%
8.	Any other (HUF, Clearing Member)	57,52,326	1.25%
	Total	45,88,94,004	100.00%

XII) Outstanding GDRs/ADRs/Warrants:

As on 31.03.2025, there were no outstanding GDRs/ ADRs.

However, 80,00,000 convertible warrants pending for conversion as on 01.04.2024, were converted into 8,00,00,000 equity shares of Re. 1 each during the year.

Further, the company has allotted 7,24,50,000 convertible warrants on 27th March 2025 to **Oswal Holding Private Limited** (an entity falling under definition of promoter Group as Regulation 2(1)(pp) of SEBI ICDR Regulations, 2018) on preferential basis. These warrants were convertible into equivalent number of equity shares of Re. 1 each at a premium of Rs. 11.55 per share within 18 months from the date of allotment. 2,29,25,000 warrants were converted into equity shares during the year and the remaining 4,95,25,000 warrants are pending for conversion as on 31.03.2025. Assuming full conversion of the above said warrants in due course, paid-up share capital of the company would be Rs. 50,84,19,004 comprising of 50,84,19,004 equity shares of Re. 1 each.

XIII) 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.

XIV) Plant/Unit Locations:

The company was having three production facilities located at Nalagarh (Himachal Pradesh), Ludhiana (Punjab) and Bathinda (Punjab) for the manufacturing of yarns and only production facility at Nalagarh is operational.

Ludhiana Unit:

In March 2025, the company has closed the operations at manufacturing unit located at Focal Point, Ludhiana to explore various avenues for the monetization of real estate potential of the land and streamlining the cash flows of the organization.

Bathinda Unit:

During FY 2023-24, operations at manufacturing unit located at Badal Road, Bathinda were closed due to non-viability due to deteriorating condition of machines, high operational cost and operational losses. Later, it was planned to monetize the land situated at Bathinda Unit to augment funds.

Details of operational Plant/Unit at Nalagarh:

➤ Vardhman Polytex Limited, Village Nangal Nihla/Upperla, Swarghat Road, Nalagarh -174101

Registered Office of the company: Vardhman Park, Chandigarh Road, Ludhiana -141123

XV) 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 -141123| (F) +91-161-6629888| (E): 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

XVI) 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:

The company is in compliance with the conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015. In this context, certificates from M/s Romesh K. Aggarwal & Associates, Chartered Accountant (Firm Registration No. 000711N), Auditors of the company is annexed with 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, 2025.

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

Date: 28.07.2025
Place: Ludhiana

Annexure-2**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE FROM AUDITOR**

To
The Members of
Vardhman Polytex Limited
Vardhman Park,
Chandigarh Road,
Ludhiana- 141123

We have examined the compliance of conditions of Corporate Governance by Vardhman Polytex Limited ("the Company") for the year ended 31st March, 2025, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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: 11.07.2025

Sd/-
Ruchir Singla
Partner
Membership no. 519347
UDIN: 25519347BMIDW4624

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, 2025 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.

(Radhamohan Soni)
Chief Financial Officer

(Adish Oswal)
Chairman and Managing Director

Place: Ludhiana
Dated: 30.05.2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VARDHMAN POLYTEX LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **VARDHMAN POLYTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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 statements, 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, 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, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 ethical 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, 2025. 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 Performed:</p> <p>Obtained details of complete tax assessments and demands till the year ended March 31, 2025 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 Report, 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 Ind AS 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 Ind AS financial Statements. 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 2025 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, 2025 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2025.
- 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, 2025 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.
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

M. No. 519347

UDIN - 25519347BMIODK6848

Place - Ludhiana

Dated - 30th May 2025

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, 2025 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, 2025, 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

UDIN - 25519347BM10DK6848

Place - Ludhiana

Dated - 30th May 2025

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 :

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**
Land & Building	1197472	Mr. Subhash Sharma	No	22.06.2011	State Government rules
Land & Building	346100	Mr. Subhash Sharma	No	01.02.2011	State Government rules
Land & Building	487808	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	11.26 Lacs	Loan
-Others	Nil	NA
Balance outstanding as at balance sheet date		
-Employees	11.14 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 3.99 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 3.99 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 .
- There were no undisputed amounts payable in respect of Employees' State Insurance, Provident Fund, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.
- (b) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2025 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 dispute
Central Excise Act, 1944	Excise Duty	1997-98	42.34	Hon'ble Punjab & Haryana High Court, Chandigarh	33.82	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	375.15	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	464.36	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, 2017-2018	3430.37	DCIT (TDS)	77.21	Failure to deduct TDS u/s 271C

	Income tax	2016-17	203.21	ITO (TDS)	-	Failure to deduct TDS u/s 271C
	Income tax	2018-19, 2019-20	95.05	ACIT (TDS)	-	
Punjab General Sales Tax Act	Punjab Vat	2000-01, 2001-02	17.61	DETC Appeal	4.41	Incremental production in respect of additional fixed capital investment.
	Punjab Vat	2005-06	0.49	DETC, Patiala	0.12	
	Punjab Vat	2006-07	33.08	DETC (Appeals), Faridkot (Pb.)	-	Disallowance of ITC in respect of purchases from M/s Chabra Ind. & ITC on Diesel.
	Punjab Vat	2008-09	62.14	VAT Tribunal, Punjab	-	Disallowance of ITC on Diesel & reversal of entry tax in respect of branch transfer & 19(5)
	Punjab Vat	2009-10	79	VAT Tribunal, Punjab	-	ITC on diesel, Reversal of 19(5) in exempted units, reversal of entry tax in respect of branch transfer & 19(5).
	Punjab VAT	2011-12	18	DETC Appeals, Faridkot	4.5	Interest on additional demand.
	Punjab VAT	2012-13	8.73	DETC Appeals, Faridkot	4.02	Interest on additional demand.
Wealth Tax Act	Wealth Tax	A.Y. 1998-99	2.47	ITAT, Chandigarh	-	Dispute on valuation of land

- (viii). According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not surrendered or disclose any transaction, previously unrecorded as income in the books of account, in the tax assessment under the Income Tax act, 1961 (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, 2025, the Company has defaulted in the repayment of dues to Phoenix ARC as per the LOA's signed to the tune of ₹ 6.43 Cr.
- (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 raised Rs.49.83 Crores during the current year by allotting 83,059,434 shares through rights basis. The funds have been utilised for the purpose for which they were raised.
- (b) During the current year, 8,00,00,000 shares of Re.1 each have been allotted on conversion of 80,00,000 warrants issued on preferential share basis to non-promoters in previous year. Also, during the current year 7,24,50,000 share warrants have been issued to an entity falling under Promoter Group as per Reg. 2(1)(pp) of SEBI (ICDR) Regulations, 2015. Out of this, 2,29,25,000 equity shares of Re. 1 each have been allotted on conversion of 2,29,25,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, 4,95,25,000 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 not incurred cash loss in the current financial year but there was cash loss in previous financial year amounting to ₹ 1660.14 Lacs.
- (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 ratios, ageing and the expected dates of realization of the financial assets and payment of financial liabilities, other information accompanying the financial statements, 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(xx) 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
UDIN – 25519347BMIOBK6848

Place – Ludhiana
Dated – 30th May 2025

Balance sheet as at 31st March 2025

	Note	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. in Lakh
I Assets			
1 Non current assets			
a) Property, plant and equipment	2	11,332.53	12,885.64
b) Investment Property	2(a)	28.77	68.32
c) Capital work-in-progress	2(b)	261.84	-
d) Other intangible assets	2	1.58	2.31
e) Financial assets			
i) Investments	3	0.62	0.62
ii) Loans	4	-	-
iii) Other financial assets	5	385.49	618.17
iv) Trade Receivables	6	533.02	541.48
f) Deferred tax assets (net)	7	5,016.18	5,016.18
g) Other non-current assets	8	718.66	70.43
Total Non Current Assets		18,278.70	19,203.15
2 Current assets			
a) Inventories	9	4,376.34	1,681.23
b) Financial assets			
i) Trade and other receivables	10	422.28	3.57
ii) Cash and cash equivalents	11	38.15	106.00
iii) Bank balances other than above	12	5.50	5.00
iv) Loans	13	11.14	6.50
v) Other financial assets	14	406.29	42.24
c) Current tax assets	15	713.05	548.20
d) Other current assets	16	2,993.27	4,955.47
e) Assets held for sale	16A	332.60	1,009.04
Total Current Assets		9,298.62	8,357.25
TOTAL ASSETS		27,577.32	27,560.40
II EQUITY AND LIABILITIES			
1 EQUITY			
a) Equity share capital	17	4,588.94	2,729.10
b) Other equity	18	(27,328.08)	(38,832.86)
Total Equity		(22,739.14)	(36,103.76)
2 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	19	1,620.41	4,512.71
b) Long term provisions	20	149.70	198.31
c) Other non-current liabilities	21	32,429.61	33,466.39
Total Non Current Liabilities		34,199.72	38,177.41
3 Current liabilities			
a) Financial liabilities			
i) Borrowings	22	3,344.82	3,106.25
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		9,731.24	18,615.24
iii) Other financial liabilities	24	1,294.67	1,991.76
b) Other current liabilities	25	1,457.14	1,406.08
c) Short term provisions	26	288.87	367.42
Total Current Liabilities		16,116.75	25,486.75
TOTAL EQUITY AND LIABILITIES		27,577.32	27,560.40

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- 25519347BMIODK6848

Sd/-
Manju Oswal
 Director
 (DIN-00009449)

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

Place: Ludhiana
Date: 30th May 2025

Sd/-
Ajay K. Ratra
 (Company Secretary)

Sd/-
Radhamohan Soni
 (Chief Financial Officer)

Statement of profit and loss for the year ended 31st march. 2025

Particulars	Notes No.	For the year ended 31 March 2025 Rs.in Lakh	For the year ended 31 March 2024 Rs. in Lakh
Revenue			
Revenue from operations	27	28,498.24	37,063.81
Other incomes	28	2,608.50	2,897.18
Total Income (I)		31,106.75	39,960.99
Expenses			
Cost of material consumed	29	20,017.43	32,034.82
Purchase of traded goods	30	3,896.20	-
Changes in inventories of finished goods	31	(3,096.56)	471.75
Employee benefit expense	32	2,531.96	3,828.45
Finance costs	33	1,407.78	335.25
Depreciation and amortization expense	2	898.34	1,047.95
Power & Fuel Cost	34	2,416.13	3,473.75
Other expenses	34	1,543.07	1,445.01
Total expenses (II)		29,614.35	42,636.97
Profit before exceptional items and tax (I-II=III)		1,492.40	(2,675.98)
Exceptional items (IV)/(Income)		-	-
Profit before tax (III - IV = V)		1,492.40	(2,675.98)
Tax expense (VI)		-	-
Current tax		-	-
Deferred tax (credit)		-	-
Profit for the period from continuing operations After Tax (V - VI = VII)		1,492.40	(2,675.98)
Other Comprehensive Income (VIII)			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit obligation		27.73	(32.11)
Total Comprehensive Income for the period (VII + VIII = IX)			
(Comprising Profit (Loss) and Other Comprehensive income for the period)		1520.13	(2708.09)
Earnings per equity share	37		
Basic		0.45	(1.08)
Diluted		0.45	(1.08)

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- 25519347BMIODK6848

Sd/-
Manju Oswal
 Director
 (DIN-00009449)

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

Place: Ludhiana
Date: 30th May 2025

Sd/-
Ajay K. Ratra
 (Company Secretary)

Sd/-
Radhamohan Soni
 (Chief Financial Officer)

Cash Flow Statement for the Period ended March 31, 2025

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from Operating Activities:		
Net profit before tax	1,492.40	(2,675.98)
Adjustments for:		
Add:		
Depreciation and amortisation	898.34	1,047.95
Finance costs	1,407.78	335.25
Foreign currency monetary item translation difference (net)	3.20	3.68
Sundry balance written off	-	-
Net Loss on sale / discarding of fixed assets	-	-
Less:		
Interest income	(470.12)	(75.45)
Amount written back under OTS	-	-
Net Profit on sale / discarding of fixed assets	(1,484.72)	(1,687.58)
Provisions for Doubtful Debts written back	(243.50)	(380.33)
Provisions no longer required written back	(197.44)	(1,274.00)
Operating Profit before Working Capital changes	1,405.93	(4,706.46)
Adjustments for changes in Working Capital :		
- Increase/(decrease) in trade payables and other Liabilities	(9,384.79)	3,213.30
- (Increase)/decrease in trade receivables and other receivables	846.31	203.36
- (Increase)/decrease in inventories	(2,695.11)	(88.51)
Cash generated from Operating Activities	(9,827.66)	(1,378.31)
- Taxes (paid) (net of tax deducted at source)	-	-
Net cash (used in)/ generated from Operating Activities	(9,827.66)	(1,378.31)
B. Cash flow from Investing Activities:		
Purchase of fixed assets	(471.20)	(17.31)
Sale of fixed assets	2,757.86	2,570.71
Conversion of Land to Inventory	307.71	
Interest received	470.12	75.45
Net Cash from Investing Activities	3,064.50	2,628.85
C. Cash flow from Financing Activities:		
Repayment of short term borrowings	(178.32)	(1,973.83)
Repayment of long term borrowings	(3,562.59)	(1,941.22)
Interest paid	(1,407.78)	(103.10)
Proceeds from share warrants issued(Including Right Issued)	11,844.50	2,835.00
Net Cash from Financing Activities	6,695.81	(1,183.15)
Net Increase/(Decrease) in cash & cash equivalents	(67.35)	67.39
Cash and cash equivalents as at 1st April (Opening Balance)	111.00	43.61
Cash and cash equivalents as at 31st March (Closing Balance)	43.65	111.00
Cash and cash equivalents comprise		
Cash & cheques in hand	24.41	64.28
Balance with banks	19.24	46.72
	43.65	111.00
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- 25519347BMIODK6848

Sd/-
Manju Oswal
Director
(DIN-00009449)

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

Place: Ludhiana
Date: 30th May 2025

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, 2025

a. Equity share capital	Number of Shares	(Rs in lakh)
Particulars		Amount
Paid up Capital		
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 April 1, 2024	2,72,90,957	2,729.10
Changes in Equity share capital due to prior period errors	-	-
Restated balance as at 2024	-	-
Sub-Division of Shares*	2,72,90,957	2,729.10
Changes during the year**	18,5984,434	1,859.84
Balance as at March 31, 2025	45,88,94,004	4,588.94
Add:- Forfeited Shares in earlier year#	-	-
Total Equity Share Capital	45,88,94,004	4,588.94

* During the current year, shares of the company have been sub-divided from one share of Rs. 10 each to 10 shares of Re. 1 each

**During the current year, 8,00,00,000 shares of Re.1 each have been allotted on conversion of 80,00,000 warrants allotted on preferential share basis to non promoters. Further 8,30,59,434 shares of Re.1 each have been allotted on rights basis. Furthermore, during the last Quarter of the FY 2025, 7,24,50,000 share warrants have been issued to an entity falling under Promoter Group as per Reg. 2(1)(pp) of SEBI (ICDR) Regulations, 2015. Out of this, 2,29,25,000 equity shares of Re. 1 each have been allotted on conversion of 2,29,25,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, 4,95,25,000 convertible warrants stand pending for conversion according to the terms.

63527 Equity Shares of Rs.10 each were forfeited during earlier years due to non payment of call money. As on date , those 63527 share of Rs.10 each are equivalent to 635270 equity shares of Rs.1 each.

Statement of Changes in Other Equity

b. Other Equity					(Rs in lakh)	
Particulars	Reserves and Surplus			Items of other comprehensive income	Money received against Share Warrants	Total
	General reserve*	Security premium**	Retained earnings***	Actuarial Gain / (Loss)		
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)	-	810.00	(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)
Balance at April 1, 2024	9,865.25	9,256.06	(58,553.61)	(210.55)	810.00	(38,832.86)
Changes in Equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at April 1,2024	-	-	-	-	-	-
Additions for the year #	-	9,240.81	1,492.40	-	743.85	11,477.06
Other comprehensive income for the year, net of income tax	-	-	-	27.73	-	27.73
Changes in provision for tax written off	-	-	-	-	-	-
Total comprehensive income for the year	-	9,240.81	1,492.40	27.73	743.85	11,504.79
Balance at March 31, 2025	9,865.25	18,496.87	(57,061.21)	(182.82)	1,553.85	(27,328.07)

#During the current year, 8,00,00,000 shares of Re.1 each have been allotted on conversion of 80,00,000 warrants allotted on preferential share basis to non promoters. Further 8,30,59,434 shares of Re.1 each have been allotted on rights basis. Furthermore, during the last Quarter of the FY 2025, 7,24,50,000 share warrants have been issued to an entity falling under Promoter Group as per Reg. 2(1)(pp) of SEBI (ICDR) Regulations, 2015. Out of this, 2,29,25,000 equity shares of Re. 1 each have been allotted on conversion of 2,29,25,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, 4,95,25,000 convertible warrants stand pending for conversion according to the terms. Additions to security premium pertain to issue of the said 18,59,84,434 Shares of Re.1 each

* 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 2025

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. During The FY 2024-25, The company has ventured into the Real Estate Business. 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:

Notes to the financial statements as at and for the year ended 31st March 2025

- 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. Land converted to stock has been re-valued on conversion based on the available data.
- 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.

Notes to the financial statements as at and for the year ended 31st March 2025

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.

Notes to the financial statements as at and for the year ended 31st March 2025

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.

Notes to the financial statements as at and for the year ended 31st March 2025

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.

q) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker reviews the performance according to the nature of products manufactured with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

Notes to the financial statements as at and for the year ended 31st March 2025

2 Property, Plant & Equipment

a) As at 31st March, 2025

	Tangible assets					Intangible assets				
	Leasehold land *	Free hold land	Building	Plant & machinery	Other equipment	Furniture and fixtures	Vehicles	Computer	Total	Trade mark (bought out)
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
Cost										
As at 1st April 2024 (Refer Note (a))	136.77	2,444.85	12,954.69	21,676.10	234.29	251.52	176.08	602.49	38,476.79	10.94
Additions	-	-	-	208.15	1.21	-	-	-	209.35	-
Relating to disposals	-	-	(1,295.41)	(1,386.91)	(1.83)	(0.85)	(6.42)	(0.17)	(2,691.60)	-
Transfer from	-	-	-	-	-	-	-	-	-	-
Transfer to Stock in Trade***	-	(307.71)	-	-	-	-	-	-	(307.71)	-
Adjustment	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2025	136.77	2,137.14	11,659.28	20,497.33	233.66	250.67	169.66	602.32	35,686.83	10.94
Depreciation										
As at 1st April 2024 (Refer Note (a))	-	-	6,449.60	18,005.42	209.73	234.65	166.34	525.41	25,591.15	8.63
Charge for the year	-	-	337.69	539.68	4.56	2.44	0.94	11.47	896.77	0.73
Relating to disposals	-	-	(969.66)	(1,155.73)	(1.74)	(0.23)	(6.10)	(0.16)	(2,133.61)	-
Transfer from	-	-	-	-	-	-	-	-	-	-
Transfer to**	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2025	-	-	5,817.62	17,389.37	212.55	236.86	161.18	536.72	24,354.32	9.37
Net block										
As at 31st March, 2025	136.77	2,137.14	5,841.66	3,107.96	21.10	13.81	8.48	65.59	11,332.51	1.58

b) As at 31st March 2024

	Tangible assets					Intangible assets				
	Leasehold land	Free Hold land	Building	Plant & machinery	Other equipment	Furniture and fixtures	Vehicles	Computer	Total	Trade mark (Bought out)
	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh	Rs. in Lakh
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
Additions	-	-	2.50	5.50	5.10	-	-	4.21	17.31	-
Relating to disposals	-	-	(5.84)	(4,730.63)	(0.52)	(0.13)	(130.18)	-	(4,867.30)	-
Transfer from	-	-	-	-	-	-	-	-	-	-
Transfer to**	-	-	-	(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
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
Charge for the year	-	-	353.97	663.32	5.41	2.81	4.11	14.97	1,044.59	0.73
Relating to disposals	-	-	(2.21)	(4,242.57)	(0.50)	(0.13)	(123.67)	-	(4,369.08)	-

861.0	599.9	887.9
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Transfer from	
Transfer to**	
Adjustment	
As at 31st March	
Net Block	
As at 31st March	

a) *T) 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.

***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".

d) Following the November 14, 2024 stock exchange filing regarding the Bathinda land monetization opportunity, the company received approval from Bathinda Development Authority (BDA) stating their No Objection to establish a Residential Colony subject to other regulatory approvals from Municipal Corporation and other Departments. However, pending these project approvals, the land has been reclassified from fixed assets to inventory and is now valued at fair value based on the Bathinda tehsil's collector rate list for agricultural land. A full fair market valuation of the project will be determined after the saleable area is precisely ascertained.

Notes to the financial statements as at and for the year ended 31st March 2025

2 (a) Investment Property

(Rs in Lakh)

	Building	
	Amount	Amount
Cost		
As at 1st April 2024 & 2023	104.36	631.55
Additions	-	-
Relating to disposals	(59.72)	(527.19)
As at 31st March 2025 & March 2024	44.64	104.36
Depreciation		
As at 1st April 2024 & 2023	36.04	175.69
Charge for the year	0.84	2.63
Relating to disposals	(21.01)	(142.28)
Adjustment	-	-
As at 31st March 2025 & March 2024	15.87	36.04
Net block		
As at 31st March 2025 & March 2024	28.77	68.32

2(b) Capital work-in-progress

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Capital Work in Progress	261.84	-
Total	261.84	-

2(C) Capital-Work-in Progress (CWIP)

(a) For Capital-work-in progress, following ageing schedule shall be given:
CWIP aging schedule

(Amount in Rs.)

Amount in CWIP for a period of	Total			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
CWIP				
Projects in progress	261.84	0	0	0
Projects temporarily suspended				

3 Financial Assets:Non Current Investments

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. in Lakh
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
	0.62	0.62
Total aggregate Investments	0.62	0.62
Total investment carrying value	0.62	0.62
Aggregate amount of unquoted investments	0.62	0.62

Notes to the financial statements as at and for the year ended 31st March 2025

4 Financial Assets: Loans(Non Current)

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. in Lakh
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)

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. in Lakh
(a) Security		
Security Deposit With P&T	0.66	1.76
Security deposit with government authorities	367.60	608.74
Security Deposit-Others*	7.24	7.67
(c) Fixed deposits (With more than 12 months Maturity)*	10.00	-
Total	385.49	618.17

* 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)

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. in Lakh
Receivable from Others		
-Unsecured, Considered Good :	533.02	541.48
-Doubtful	297.86	499.86
Less: Allowance for doubtful receivable	(297.86)	(499.86)
Total Long Term Debtors	533.02	541.48

(a) Ageing as at 31.03.2025

(Rs 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 year	More than 3 years	
Undisputed Trade receivables – considered good	-	-	6.38	62.72	424.78	493.88
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	-	-	-	-	81.07	81.07
Disputed Trade Receivables –credit impaired	-	-	-	27.91	228.02	255.93
	-	-	6.38	90.63	733.87	830.88
Less: Allowance for doubtful trade receivables - Billed						297.86
Add: Not due as at 31.03.2025						-
Net Trade Receivables						533.02

Notes to the financial statements as at and for the year ended 31st March 2025

(b) Ageing as at 31.03.2024

(Rs 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 year	More than 3 years	
Undisputed Trade receivables – considered good	-	-	41.59	402.62	87.79	532
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

7 Deferred Tax (NET)

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Deferred tax liabilities		
Arising on account of timing difference :		
Opening	1,936.74	1,532.35
Accumulated depreciation	(10.47)	404.39
Total (A)	1,926.27	1,936.74
Deferred tax assets		
Arising on account of timing difference :		
Opening	(6,952.92)	(6,548.53)
Unabsorbed depreciation/Brought forward losses	10.47	(404.39)
Others	-	-
Total (B)	(6,942.45)	(6,952.92)
Net deferred tax liability/(Assets) (A) + (B)	(5,016.18)	(5,016.18)

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, 2025. 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, 2025. Further despite the net worth being eroded the mangement 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

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Capital advances		
Unsecured - considered good*	718.66	70.43
Total	718.66	70.43

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

Notes to the financial statements as at and for the year ended 31st March 2025

9 Inventories (valued at lower of cost or net realizable value)

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Raw materials	97.85	843.74
Work in progress*	4,059.07	470.19
Finished goods	87.41	272.02
Stores & spares parts	132.02	95.28
Total	4,376.34	1,681.23

* Work in progress includes Rs.3789.69 Lacs pertaining to land converted from fixed assets to stock in trade.

10 Financial assets: Trade receivables(Current)

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Receivable from Others		
-Unsecured, Considered Good :	1,253.16	1,044.91
Less: Non Current Trade Receivable	830.88	1,041.34
	422.28	3.57
Less: Provision for doubtful debts	-	-
Total	422.28	3.57

(A) Ageing as at 31.03.2025

(Rs 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 year	More than 3 years	
Undisputed Trade receivables – considered good	419.02	3.26	-	-	-	422.28
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	-	-	-	-	-	-
	419.02	3.26	-	-	-	422.28
Less: Allowance for doubtful trade receivables - Billed						-
Add: Not due as at 31.03.2025						-
Net Trade Receivables						422.28

(B) Ageing as at 31.03.2024

(Rs 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 year	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	-	-	-	-	-	-
	-	0.43	-	-	-	3.57
Less: Allowance for doubtful trade receivables - Billed						-
Add: Not due as at 31.03.2024						-
Net Trade Receivables						3.57

Notes to the financial statements as at and for the year ended 31st March 2025

11 Financial assets: Cash and cash equivalents

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Cash and Cash Equivalents		
Cash on hand	24.41	64.28
Bank balances:		
in current accounts	13.74	41.72
Total	38.15	106.00

12 Financial assets: Bank balances other than above

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Bank balances:		
Fixed deposits (More than 3 months but less than 12 months maturity)*	5.50	5.00
Total	5.50	5.00

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

13 Financial Assets: Loans (Current)

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Carried at amortised cost		
(a) Other loans		
Loans to employees		
Un Secured - considered good	11.14	6.50
Total	11.14	6.50

14 Other financial assets(Current)

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Interest receivable & Others	406.29	42.24
Total	406.29	42.24

15 Current tax assets

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Direct Taxes Refundable	713.05	548.20
Total	713.05	548.20

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

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. In Lakh
Advance to employees	0.05	0.05
Balances with Government Authorities	3,008.67	4,928.85
Less: Provision against Govt receivable	(448.75)	(448.75)
Prepaid expenses	20.36	26.44
Others	412.93	448.88
Total	2,993.27	4,955.47

Notes to the financial statements as at and for the year ended 31st March 2025

- a) Balance with Government authorities includes Rs. 63.24 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

Particulars	As at 31 March 2025 Rs. in Lakh	As at 31 March 2024 Rs. in Lakh
Plant & Machinery held for sale	332.60	1,009.04
Total	332.60	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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount Rs in Lakh	Number of shares	Amount Rs in Lakh
Authorised Share Capital				
70,00,00,000 equity shares of Rs. 1 each (Previous year 7,00,00,000 equity shares of Rs. 10 each)	70,00,00,000	7,000.00	7,00,00,000	7,000.00
Total	70,00,00,000	7,000.00	7,00,00,000	7,000.00
Issued & Subscribed Share Capital				
45,95,29,274 equity shares of Re. 1 each (Previous year 2,73,54,484 equity shares of Rs.10 each)	45,95,29,274	4,595.29	2,73,54,484	2,735.45
Paid up Share Capital				
45,88,94,004 equity shares of Rs. 1 each (Previous year 2,72,90,957 equity shares of Rs.10 each)	45,88,94,004	4,588.94	2,72,90,957	2,729.10
Forfeited shares in earlier year*				-
Total	45,88,94,004	4,588.94	2,72,90,957	2,729.10

*63527 Equity Shares of Rs.10 each were forfeited during earlier years due to non payment of call money. As on date , those 63527 share of Rs.10 each are equivalent to 635270 equity shares of Rs.1 each.

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

	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Rs in Lakh	No. of shares	Rs in Lakh
Equity shares				
At the beginning of the year	2,72,90,957	2,729.10	2,22,90,957	2,229.10
Sub-Division of Shares*	27,29,09,570			
Add:				
Shares allotted during the year	18,59,84,434	1,859.84	50,00,000	500.00
Outstanding at the end of reporting period (refer note no. a)	45,88,94,004	4,588.94	2,72,90,957	2,729.10

* During the current year, shares of the company have been sub-divided from one share of Rs. 10 each to 10 shares of Re. 1 each

Note:

- a) Out of total shares held by promoters and promoter group (i.e.15,70,22,910), 10,93,12,020 equity shares (face value of Re. 1 each) are pledged in favour of Banks / financial institution.
- b) During the current year, 8,00,00,000 shares of Re.1 each have been allotted on conversion of 80,00,000 warrants allotted on preferential share basis to non promoters. Further 8,30,59,434 shares of Re.1 each have been allotted on rights basis. Furthermore, during the last Quarter of the FY 2025, 7,24,50,000 share warrants have been issued to an entity falling under Promoter Group as per Reg. 2(1)(pp) of SEBI (ICDR) Regulations, 2015. Out of this, 2,29,25,000 equity shares of Re. 1 each have been allotted on conversion of 2,29,25,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, 4,95,25,000 convertible warrants stand pending for conversion according to the terms.

Notes to the financial statements as at and for the year ended 31st March 2025

17.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Re. 1 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 2025, 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 2025		As at 31 March 2024	
	No. of Shares	%	No. of Shares	%
Panchsheel Textile Mfg. & Trdg. Co. (P) Ltd.	4,42,69,170	9.65	44,26,917	16.22
Alma Assets Consultancy (P) Ltd.	4,36,23,250	9.51	43,62,325	15.98
Altfort Merchants (P) Ltd.	2,18,20,000	4.75	21,82,000	8.00
Anupama Kothari	5,00,00,000	10.90	-	-

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, 2025 is as follows:

Promoter Name*	As at 31 March 2025		As at 31 March 2024		
	No. of Shares**	% of total shares	No. of Shares	% of total shares	% Change
1 Ashok Kumar Oswal	12,77,480	0.28	1,27,748	0.47	0.00
2 Adish Oswal	42,05,110	0.92	4,20,511	1.54	0.00
3 Aketa Oswal	54,600	0.01	5,460	0.02	0.00
4 Rakhi Oswal	1,78,200	0.04	17,820	0.07	0.00
5 Abhinav Oswal	1,43,070	0.03	14,307	0.05	0.00
6 Ashok Kumar (Huf)	1,100	0.00	110	0.00	0.00
7 Manju Oswal	5,26,940	0.11	52,694	0.19	0.00
8 Kent Investments Pvt Ltd	4,69,500	0.10	46,950	0.17	0.00
9 Enakshi Investments Pvt Ltd	37,02,500	0.81	3,70,250	1.36	0.00
10 Panchsheel Textile Manufacturing And Trdg Co.(P) Ltd	4,42,69,170	9.65	44,26,917	16.22	0.00
11 Ruby Mercantile Company Pvt Ltd	15,30,000	0.33	1,53,000	0.56	0.00
12 Calgary Investment And Trading Company Pvt Ltd	6,73,000	0.15	67,300	0.25	0.00
13 Nightnagle Dealcom Private Limited	66,00,000	1.44	6,60,000	2.42	0.00
14 Gagan Mercantile Company Pvt Ltd	16,39,000	0.36	1,63,900	0.60	0.00
15 Pioneer Mercantile India Pvt Ltd	4,93,500	0.11	49,350	0.18	0.00
16 Altfort Merchants Private Limited	2,18,20,000	4.75	21,82,000	8.00	0.00
17 Liberty Mercantile Company Pvt Ltd	12,05,500	0.26	1,20,550	0.44	0.00
18 Boras Investment And Trading Company Pvt Ltd	3,28,600	0.07	32,860	0.12	0.00
19 Allepy Investment And Trading Company Privatelimited	9,55,000	0.21	95,500	0.35	0.00
20 Adesh Investment And Trading Company Private Limited	3,51,000	0.08	35,100	0.13	0.00
21 Alma Assets Consultancy Private Limited	4,36,23,250	9.51	43,62,325	15.98	0.00
22 Oswal Holding Pvt Ltd.	2,29,25,000	4.99	-	-	4.99
23 Amrante Trust Through Rakhi Oswal, Trustee	51,390	0.01	5,139	0.02	0.00
Total	15,70,22,910.00	34.22	1,34,09,791.00	49.14	

* Promoter/Promoter Group here means promoters as defined as per the Companies Act, 2013 read with SEBI (ICDR) Regulations, 2015.

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

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

Notes to the financial statements as at and for the year ended 31st March 2025

Note:

1. There is change in number of shares of Promoter/Promoter Group due to sub-division of shares of the company during the year from One share of Rs. 10 each to Ten shares of Re. 1 each.
2. Allotment of 2,29,25,000 shares of Re. 1 each to Oswal Holding Pvt. Ltd. on Preferential basis.

18. Other Equity

(Rs in lakh)

Particulars	Reserves and Surplus			Items of other comprehensive income	Money received against Share Warrants	Total
	General reserve*	Security premium**	Retained earnings***	Actuarial Gain / (Loss)		
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)	0	(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	(373.08)
Balance at March 31, 2024	9,865.25	9,256.06	(58,553.62)	(210.55)	810.00	(38,832.86)
Balance at April 1, 2024	9,865.25	9,256.06	(58,553.62)	(210.55)	810.00	(38,832.86)
Changes in Equity share capital due to prior period errors	-	-	-	-	-	-
Restated balance as at April 1, 2024	-	-	-	-	-	-
Additions for the year #	-	9,240.81	1,492.40	-	743.85	11,477.06
Other comprehensive income for the year, net of income tax	-	-	-	27.73	-	27.73
Changes in provision for tax written off	-	-	-	-	-	-
Total comprehensive income for the year	-	9,240.81	1,492.40	27.73	743.85	11,504.78
Balance at March 31, 2025	9,865.25	18,496.87	(57,061.22)	(182.83)	1,553.85	(27,328.08)

#During the current year, 8,00,00,000 shares of Re.1 each have been allotted on conversion of 80,00,000 warrants allotted on preferential share basis to non promoters. Further 8,30,59,434 shares of Re.1 each have been allotted on rights basis. Furthermore, during the last Quarter of the FY 2025, 7,24,50,000 share warrants have been issued to an entity falling under Promoter Group as per Reg. 2(1)(pp) of SEBI (ICDR) Regulations, 2015. Out of this, 2,29,25,000 equity shares of Re. 1 each have been allotted on conversion of 2,29,25,000 warrants, after receipt of complete amount equivalent to Warrant Issue Price as required under SEBI (ICDR) Regulations. As on date, 4,95,25,000 convertible warrants stand pending for conversion according to the terms. Additions to security premium pertain to issue of the said 18,59,84,434 Shares of Re.1 each

* 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

Particulars	As at	As at
	31 March 2025	31 March 2024
	Rs in lakh	Rs in lakh
Secured loans		
Term loans		
Rupee loan from Phoenix ARC (Refer note a to d below)	4,950.23	7,425.64
Rupee loan from Financial Institution	-	-
Total	4,950.23	7,425.64
Less : Amount disclosed under other current liability (refer note no. 22)	(3,329.82)	(2,912.93)
Grand total	1,620.41	4,512.71

Notes to the financial statements as at and for the year ended 31st March 2025

Terms & Conditions of Secured Loan Taken from bank and status of default at the year end as on 31.03.2025

Types of Loan	Loan from Phoenix
Balance As on 31.03.2025	Rs. 4950.23
Rate of Interest	21.75% & 10.00%
Repayment Type	Monthly
Repayment Schedule	
31.03.2026	3329.82
31.03.2027	1620.41

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.25 & Mar.25. The total default as on 31.03.2025 was Rs. 6.43 cr.
- 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)

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs.in Lakh	Rs. In Lakh
Employee related-Leave encashment	16.78	26.94
Employee related-Gratuity	132.92	171.37
Total	149.70	198.31

21 Other Non-Current Liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs.in Lakh	Rs. In Lakh
Security deposit received	0.53	0.53
Others*	32,429.08	33,465.86
Total	32,429.61	33,466.39

* 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

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs.in Lakh	Rs. In Lakh
Secured Borrowings		
Loans repayable on demand*	-	-
Current maturities of long-term borrowings (Refer Note No.19)	3,329.82	2,912.93
Unsecured Borrowings		
from related party & others	15.00	45.62
Foreign Currency Convertible Bonds	-	147.70
Total	3,344.82	3,106.25

Notes to the financial statements as at and for the year ended 31st March 2025

23 Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs.in Lakh	Rs. In Lakh
Total Outstanding dues of Micro enterprises and Small enterprises	-	-
Total Outstanding dues of Creditors other than Micro enterprises and Small enterprises	9,731.24	18,615.24
Total	9,731.24	18,615.24

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 31.03.2025. 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 31.03.2025

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	2933.25	2735.79	2394.12	1626.89	9,690.05
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
	2,933.25	2,735.79	2,394.12	1,626.89	9,690.05
Not due balance as at 31.03.2025					41.19
Total Trade payables					9,731.24

(b) 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

24 Other Financial liabilities-Current

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs.in Lakh	Rs. In Lakh
Interest Payable	-	89.22
Trade deposits & advances	42.17	41.81
Other payables		
Employees related	285.46	396.44
Trade expenses payable	419.77	613.14
Enhanced Land Compensation (VTM Land)	348.24	348.24
Others	199.05	502.91
Total	1,294.67	1,991.76

Notes to the financial statements as at and for the year ended 31st March 2025

25 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs.in Lakh	Rs. In Lakh
Advances/deposits from customers	1,325.24	1,015.26
Statutory dues*	108.61	366.49
Security deposit received	23.28	24.33
Total	1,457.14	1,406.08

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

26 Provision(Current)

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs. In Lakh	Rs.in Lakh
Employees Benefit-Leave Encashment	13.67	21.53
Provision Against forfeiture of MIDC Land	136.00	136.00
Employees Benefit-Gratuity	109.38	138.57
Others	29.82	71.32
Total	288.87	367.42

27 Revenue from operations

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
i) Sale of products		
-Grey yarn	20,994.62	31,604.47
-Dyed yarn	-	64.51
-Garments	4,517.81	128.37
-Waste sale	2,939.81	5,273.74
-Trading goods (textile)	45.50	0.60
ii) Job charges income	0.50	3.87
Total	28,498.24	37,075.56
Rebate & Discount	-	(11.75)
Net sales	28,498.24	37,063.81
Other Operating Income	-	-
TOTAL	28,498.24	37,063.81

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

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Interest income on Bank deposits & others	470.98	75.74
Profit on sale of fixed assets	1,484.72	1,687.58
Rent received	64.45	71.91
Miscellaneous Income	589.21	1,062.24
Total	2,609.37	2,897.47
Less: Interest on Margin Money reduced from finance cost (Refer Note no.33)	0.86	0.29
Total	2,608.50	2,897.18

29 Cost of material consumed

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Raw material consumption		
Cotton	18,493.34	29,294.03

Notes to the financial statements as at and for the year ended 31st March 2025

Cotton yarn	98.28	148.44
Synthetic fibre	1,371.94	2,580.15
Dyes & chemicals	0.31	12.20
Real estate project development cost	53.56	-
Total	20,017.43	32,034.82

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 2025		For the year ended 31 March 2024	
	Rs.in Lakh	%	Rs.in. Lakh	%
Indigenous	20,017.43	100.00	32,034.82	100.00
Imported	-	-	-	-
Total	20,017.43	100.00	32,034.82	100.00

30 Purchase of Stock In Trade

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Fabrics	3,896.20	-
Total	3,896.20	-

31 Changes in inventories of finished goods, work in progress and stock in trade

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Closing inventories		
Finished goods (Including waste)	87.41	272.03
Work in progress	4,059.07	470.19
	4,146.48	742.22
Opening inventories		
Finished goods (Including waste)	272.03	370.63
Work in progress	470.19	843.34
	742.22	1,213.97
(Increase) / Decrease	(3,404.27)	471.75
Less: Transfer of Land to Stock in Trade	307.71	-
Net (Increase) / Decrease	(3,096.56)	471.75

32 Employee benefit expenses

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Salaries, Wages & Other Benefits	2,225.17	3,439.16
Contribution to Provident & Other Funds	234.28	277.73
Staff Welfare Expenses	72.52	111.56
Total	2,531.96	3,828.45

Notes to the financial statements as at and for the year ended 31st March 2025

33 Finance costs

Particulars	For the year ended 31 March. 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Interest expense		
- Borrowings	50.42	245.43
-Other	1,358.23	90.11
Other borrowing costs	-	-
	1,408.64	335.54
Less: Interest on Margin Money(Refer Note no. 28)	0.86	0.29
Total	1,407.78	335.25

Notes to the financial statements for the year ended 31st March 2025

34 Other expenses

Particulars	For the year ended 31 March. 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Packing Material Consumed	320.51	486.79
Power & Fuel including Oil & Lubricants	2,425.68	3,494.77
Processing Charges	29.91	15.89
Repairs and maintenance :		
Plant & machinery	262.91	442.64
Building	3.97	22.95
General	39.57	70.82
Electric	1.38	4.63
Rent	40.27	41.40
Rates and taxes	44.82	90.37
Insurance	45.98	71.52
Travelling & Boarding Expenses	85.75	115.75
Legal & professional	213.63	149.76
Exchange rate fluctuation (net)	3.20	3.68
Delivery Expenses (Including Freight, Octroi & Others)	110.19	119.24
Rebate & discounts	38.14	(509.10)
Bank charges	1.85	0.39
Loss on Sale of Fixed Assets	-	-
Miscellaneous expenses	291.41	297.24
Total	3,959.20	4,918.76

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

Particulars	For the year ended 31 March. 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
As auditor:		
-Statutory audit	10.50	10.50
-Tax audit	1.50	1.50
Reimbursement of expenses	0.18	0.22
Total	12.18	12.22

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

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Rs. in Lakh	%	Rs. in Lakh	%
Indigenous	303.86	100.00	518.09	100.00
Imported	-	0.00	0.00	0.00
Total	303.86	100.00	518.09	100.00

Notes to the financial statements as at and for the year ended 31st March 2025

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

Particulars	Rs. in Lakh	
	For the year ended 31 March 2025	For the year ended 31 March 2024
Repairs and maintenance :- General	39.57	70.82
Repairs and maintenance : Plant & Machinery	262.91	442.64
Repairs and maintenance : Electrical	1.38	4.63
Total	303.86	518.09

35. 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, 2025

As at March 31,2025									Rs in Lakhs	
Particulars	Notes No.	As at March 31, 2025	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	533.02		533.02					533.02	533.02
iii) Trade and other receivables (Current)	10	422.28		422.28					422.28	422.28
iv) Cash and cash equivalents	11	38.15		38.15					38.15	38.15
v) Bank balances other than above	12	5.50		5.50					5.50	5.50
vi) Loans (Current)	13	11.14		11.14					11.14	11.14
vii) Other financial assets (Current)	14	406.29		406.29					406.29	406.29
Total		1,417.00	-	1,416.39	0.62	-	-	-	1,417.00	1,417.00
Liabilities:										
i) Borrowings (Non Current)	19	1,620.41		1,620.41					1,620.41	1,620.41
ii) Borrowings (Current)	22	3,344.82		3,344.82					3,344.82	3,344.82
iii) Trade payables (Current)	23	9,731.24		9,731.24					9,731.24	9,731.24
iv) Other financial liabilities (Current)	24	1,294.67		1,294.67					1,294.67	1,294.67
Total		15,991.14	-	15,991.14	-	-	-	-	15,991.14	15,991.14

**As at
March 31,
2024**

As at March 31, 2024

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		28,225.97	-	28,225.97	-	-	-	-	28,225.97	28,225.97

Notes to the financial statements as at and for the year ended 31st March 2025

35 (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 2025

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 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			-	

36 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.

Particulars	As at 31 March 2025	As at 31 March 2024
	31 March 2025	31 March 2024
	Rs.in Lakh	Rs.in Lakh
(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.

Notes to the financial statements as at and for the year ended 31st March 2025

37 Earnings per share

Particulars	As at 31 March 2025	As at 31 March 2024
The basic and diluted earning per share is as under:		
Net Profit/(loss) after tax (Rs. lakh)	1,492.40	(2,675.98)
Net Profit/(loss) after tax but before Exceptional Items (Rs. lakh)**	1,492.40	(2,675.98)
Weighted average no. of Basic equity shares outstanding	33,39,49,477	2,22,90,957
Weighted average no. of Diluted equity shares outstanding	33,39,49,477	2,22,90,957
Nominal value of per equity shares (in Rs.)	1.00	10.00
Earnings per share (of Rs.10 each) After Exceptional Items		
Basic earnings per share (Rs)	0.45	(12.00)
Diluted earnings per share (Rs)	0.45	(12.00)
Earnings per share (of Rs.10 each) before Exceptional Items		
Basic earnings per share (Rs)	0.45	(12.00)
Diluted earnings per share (Rs)	0.45	(12.00)

38 Contingent liabilities not provided for in respect of:

Particulars	As at 31 March 2025	As at 31 March 2024
	Rs.in Lakh	Rs.in Lakh
a) Claims against the Company not acknowledged as debts (net of amount deposited Rs. 59.63 lakh Previous year-Rs. 68.15 lakh)	695.30	675.58
b) Letter of credit & bank guarantee issued	5.50	5.00
c) Income Tax demands under appeal (net of amount deposited Rs. 646.67 lakh, Previous year-Rs. 220 lakh)	14553.03	14,133.45
d) Service Tax demands under appeal (net of amount deposited Rs. 1.41 lakh, Previous year-Rs. 1.41 lakh)	12.70	12.70

39 Litigation status of the company as on 31st March 2025 are as follows:

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

Rs.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	241.60	242.53	46.58
		(484.13)	(241.60)	(242.53)	(55.10)
	Service Tax Act	15.38	1.27	14.11	1.41
		(15.38)	(1.27)	(14.11)	(1.41)
	Punjab Vat Act	219.04	174.21	44.83	13.05
		(219.04)	(174.21)	(44.83)	(13.05)
ii) Direct Taxation	Income Tax Act	15,197.23	-	15,197.23	646.67
		(15,978.30)	-	(14,350.98)	(220.00)
	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	14.59	-	14.59	-
		(16.41)	-	(16.41)	-
iv) Commercial matters	Code of Civil Procedure Act 1908	424.99	-	452.99	-
		(439.97)	-	(439.97)	-
Total		16,360.03	417.08	15,968.75	709.91
		(17,157.90)	(417.08)	(15,111.29)	(291.76)

Figures in brackets in aforesaid note represent previous year figures

Notes to the financial statements as at and for the year ended 31st March 2025

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

Nature of Dispute	Amount Involved	Provision Made	Amount Decreed in favour of the Company (under execution)	Rs. in Lakh
				Balance Amount Still contested by the Company
Commercial matters - Legal cases customers	830.88	297.86	-	533.02
	(1,041.34)	(499.86)	-	(541.48)

Figures in brackets in aforesaid note represent previous year figures

40 Obligations and commitments outstanding:

	As at 31 March 2025	As at 31 March 2024
	Rs.in Lakh	Rs.in Lakh
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	3,099.72	4,702.48
c) Estimated value of contracts remaining to be executed on other than capital account and not provided for (net of advances)-Pending Service commitment	-	-

41 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 2025		As at 31 March 2024	
	In million	Rs.in Lakh	In million	Rs.in Lakh
Trade Payables*	INR	-	-	77.31
Loan (including interest)**	USD	-	0.22	147.70
Total		-	0.22	225.01

* 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.

- 42 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.

43 Employee benefit obligation

Defined Contribution Plan

Contribution to Defined Contribution Plan recognized as expenses for the year are as under:-

	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
i) Employer's contribution to Provident Fund	131.80	159.22
ii) Employer's contribution to Superannuation Fund	2.10	1.80
ii) Employer's contribution to Pension Scheme	64.93	66.54

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.

Notes to the financial statements as at and for the year ended 31st March 2025

Reconciliation of opening and closing balances of Defined Benefit Obligation

	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Defined benefit obligation at the beginning of the year	309.95	389.15
Current service cost	21.65	33.36
Interest cost	22.47	23.35
Actuarial gain / (loss)	(26.72)	(3.48)
Benefit paid*	(85.05)	(132.44)
Past Service Cost	-	-
Defined obligation at year end	242.30	309.95

Reconciliation of opening and closing balances of fair value of plan assets

	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Fair value of plan assets at the beginning of the Year	448.88	470.31
Expected return on plan assets	30.30	34.10
Actuarial gain / (loss)	(5.66)	(8.13)
Adjustment of earlier years	-	-
Benefit paid	(60.59)	(47.40)
Fair value of plan assets at year end	412.93	448.88

43 Employee benefit obligation continued..

Reconciliation of fair value of assets & obligation

	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Fair value of plan assets at the end	412.93	448.88
Present value of obligation	242.30	309.95
Net asset/(liability) recognized in the balance sheet	170.63	138.93

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Current service cost	21.65	33.36
Interest cost	22.47	23.35
Expected return on plan assets	(30.30)	(34.10)
Amount recognized in the statement of profit & loss	-	-
	13.82	22.61

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Actuarial (gain)/loss -obligation	(26.72)	(3.48)
Actuarial (gain)/loss -plan assets	5.66	8.13
Amount recognized in the statement of profit & loss	(21.06)	4.65

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. in Lakh
Discount rate	6.75%	7.25%
Attrition rate	45.00%	45.00%
Expected rate of return on assets	7.00%	7.00%
Mortality rate	IALM 2012-14	IALM 2012-14
Salary rise	10.00%	10.00%

Notes to the financial statements as at and for the year ended 31st March 2025

Amount for the current year and previous year in respect of gratuity are as follows:-

	For the year ended 31 March 2025 Rs. in Lakh	For the year ended 31 March 2024 Rs. in Lakh
Defined benefit obligation	242.30	309.95
Plan assets	412.93	448.89
Surplus/(deficit)	170.63	138.94
Experience adjustment on plan assets	(5.66)	(8.13)
Experience adjustment on plan liabilities	(111.77)	(135.92)

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: 29-02-2025
Defined Benefit Obligation (Base)	2,42,30,021@ Salary Increase Rate : 10%, and discount rate :6.75%
Liability with x% increase in Discount Rate	2,38,49,984; x=1.00% [Change (2)%]
Liability with x% decrease in Discount Rate	2,46,25,501; x=1.00% [Change 2%]
Liability with x% increase in Salary Growth Rate	2,46,10,176; x=1.00% [Change 2%]
Liability with x% decrease in Salary Growth Rate	2,38,57,857; x=1.00% [Change (2)%]
Liability with x% increase in Withdrawal Rate	2,41,70,891; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	2,42,91,069; x=1.00% [Change 0%]

43 Employee Benefit obligation continued..

Leave Encashment(unfunded)

Reconciliation of opening and closing balances of defined benefit obligation

	For the year ended 31 March 2025 Rs. in Lakh	For the year ended 31 March 2024 Rs. in Lakh
Defined benefit obligation at the beginning of the year	48.47	59.96
Current service cost	7.59	13.33
Interest cost	3.51	3.60
Actuarial (gain) /loss	(6.67)	27.46
Benefit paid	(22.44)	(55.87)
Defined obligation at year end	30.46	48.47

Reconciliation of fair value of assets & obligations

	For the year ended 31 March 2025 Rs. in Lakh	For the year ended 31 March 2024 Rs. in Lakh
Fair value of plan assets at the end	-	-
Present value of obligation	30.46	48.47
Amount recognized in balance sheet	30.46	48.47

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

	For the year ended 31 March 2025 Rs. in Lakh	For the year ended 31 March 2024 Rs. in Lakh
Current service cost	7.59	13.33
Interest cost	3.51	3.60
Expected return on plan assets	-	-
Amount recognized in the statement of profit & loss	11.10	16.93

Notes to the financial statements as at and for the year ended 31st March 2025

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

	For the year ended 31 March 2025	For the year ended 31 March 2024
	Rs. in Lakh	Rs. In Lakh
Actuarial (gain)/loss -obligation	(6.67)	27.46
Actuarial (gain)/loss -plan assets	-	-
Amount recognized in the statement of profit & loss	(6.67)	27.46

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
	Rs. in Lakh	Rs. In Lakh
Discount rate	6.75%	7.25%
Attrition rate	45.00%	45.00%
Expected rate of return on assets	NA	NA
Mortality rate	IALM 2012-14	IALM 2012-14
Salary rise	10.00%	10.00%

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: 29-02-2025
Defined Benefit Obligation (Base)	30,45,199
Liability with x% increase in Discount Rate	29,84,285; x=1.00% [Change (2)%]
Liability with x% decrease in Discount Rate	31,08,742; x=1.00% [Change 2%]
Liability with x% increase in Salary Growth Rate	31,06,275; x=1.00% [Change 2%]
Liability with x% decrease in Salary Growth Rate	29,85,500; x=1.00% [Change (2)%]
Liability with x% increase in Withdrawal Rate	30,41,135; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	30,49,484;; x=1.00% [Change 0%]

44 Related party disclosures:-

i) List of related parties & relationship

	2024-25	2023-24
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 (upto 02.04.2024) Mr. Sagar Bhatia, Independent Director Mrs. Sanchi Taneja, Independent Director Mr. Rohit Jain, Independent Director	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)

Notes to the financial statements as at and for the year ended 31st March 2025

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
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:-

Rs. Lakh

	Subsidiaries		KMP		Relatives of KMP		Enterprise over which KMP is able to exercise Significant Influence		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Loan received	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	30.62	50.00	30.62	50.00
Sale of goods	-	-	-	-	-	-	33.72	0.53	33.72	0.53
Purchases	-	-	-	-	-	-	-	0.75	-	0.75
Net Advance (Received)/Paid	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	8.86	6.43	-	-	8.86	6.43
Director Sitting Fee	-	-	5.67	4.21	-	-	-	-	5.67	4.21
Job charges Paid	-	-	-	-	-	-	0.70	1.53	0.70	1.53
Rent received	-	-	-	-	-	-	7.76	8.29	7.76	8.29
Interest paid	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	273.75	325.27	-	-	-	-	273.75	325.27
OUTSTANDING BALANCES AT YEAR END										
Investment in equity shares	-	-	-	-	-	-	0.09	0.09	0.09	0.09
Unsecured loan	-	-	-	-	-	-	-	30.62	-	30.62
Amount payable/(recoverable)	-	-	-	-	-	-	-	-	-	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Notes to the financial statements as at and for the year ended 31st March 2025

45. 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 2025 and 31 March 2024.

(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 31st March 2025	As at 31st March 2024
Variable rate instruments		
Long term borrowings	1,620.41	4,512.71
Current maturities of long term debt	3,329.82	2,912.93
Short term borrowings	15.00	193.32

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31st March 2025	As at 31st March 2024
Increase/ (decrease) in 100 basis point	49.65	76.19

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.

Notes to the financial statements as at and for the year ended 31st March 2025

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	As at 31 March 2025	As at 31 March 2024
(a) Revenue from top five customers		
- Amount of Sales	22,078.07	31,054.71
- % of total Sales	77.47%	83.79%
(b) Allowance for doubtful debts		
Balance at the beginning of the period	499.86	880.20
Recognized during the year	-	-
Amount Write Off	202.00	380.34
Balance At the end of the period	297.86	499.86

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 2025 and 31st March 2024.

46 Expenditure in foreign currency on account of:

	For the year ended 31 March 2025 Rs. Lakh	For the year ended 31 March 2024 Rs. Lakh
Commission, consultancy, travelling, interest and others	12.33	6.47

- 47 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.
- 48 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.
- 49 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, 2025. Except for the provision created against these receivables, they are realizable as per management of the company.
- 50 The company operates in two segments: Textiles and Real Estate. Segment reporting disclosures, as required by IND-AS 108 'Operating Segments', have been provided as follows.

SEGMENT INFORMATION

I Segment accounting policies:

a. Product and Services from which reportable segment derive their revenues (Primary Business Segments)

Based on the nature and class of product and services, their customers and assessment of differential risks and returns and financial reporting results reviewed by Chief Operating Decision Maker (CODM), the Group has identified the following business segments which comprises of.

- Textile Business
- Real Estate

Notes to the financial statements as at and for the year ended 31st March 2025

b. Geographical segments (secondary business segments)

The Company operates only in one geographical segment, so no segment reporting has been done based on geographical basis.

c. Segment accounting policies

Segment accounting policies: In addition to the significant accounting policies applicable to the business segment as set out in note 1, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of cash, debtors, inventories, right of use assets and property, plant and equipment including capital work in progress, net of allowances and provisions, which are reported as direct offset in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii Segment revenue and expenses:

Joint revenue and expenses of segments are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii Inter segment sales:

Inter segment sales are accounted for at cost plus appropriate margin (transfer price) and are eliminated in consolidation.

iv Segment results :

Segment results represent the profit before tax earned by each segment without allocation of central administration costs, other non operating income as well as finance costs. Operating profit amounts are evaluated regularly by the Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance.

Note for Segment Reporting

Particulars	(Rs in Lakhs)							
	Textiles		Real Estate		Unallocable		Total	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
1 Segment Revenue								
- External Sales	28,498.24	37,063.81	-	-	-	-	28,498.24	37,063.81
- Other Income	-	-	-	-	2,608.50	2,897.18	2,608.50	2,897.18
Total Revenue	28,498.24	37,063.81	-	-	2,608.50	2,897.18	31,106.74	39,960.99
2 Segment Results	-528.23	-2,340.73	3,428.41	-	-	-	2,900.18	-2,340.73
Unallocated corporate expenses	-	-	-	-	-	-	-	-
(net of unallocated Income)								
Finance costs	1,407.78	335.25	-	-	-	-	1,407.78	335.25
Tax expenses	-	-	-	-	-	-	-	-
3 Profit After Tax	-1,936.01	-2,675.98	3,428.41	-	-	-	1,492.40	-2,675.98

4 Segment Balance Sheet

Particulars	Textiles		Real Estate		Unallocable		Total	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
a) Segment Assets	18,057.78	21,995.40	3,789.69	-	5,729.85	5,565.00	27,577.32	27,560.40
Total Assets	18,057.78	21,995.40	3,789.69	-	5,729.85	5,565.00	27,577.32	27,560.40
b) Segment Liabilities	12,921.62	22,578.81	-	-	-	-	12,921.62	22,578.81
Unallocated corporate liabilities	-	-	-	-	9,690.47	-2,637.37	9,690.47	-2,637.37
Long Term Borrowings	-	-	-	-	1,620.41	4,512.71	1,620.41	4,512.71
Short Term Borrowings	-	-	-	-	3,344.82	3,106.25	3,344.82	3,106.25
Total Liabilities	12,921.62	22,578.81	-	-	14,655.70	4,981.59	27,577.32	27,560.40
5 Other Disclosures								
Capital expenditure	471.19	17.31	-	-	-	-	471.19	17.31
Depreciation and amortisation expense	898.34	1,047.95	-	-	-	-	898.34	1,047.95

Notes to the financial statements as at and for the year ended 31st March 2025

- 51 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.
- 52 Previous year figures have been regrouped /reclassified wherever necessary to conform to current year classification.
- 53 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.
- 54 **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.

- 55 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	-	-

- 56 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.
- 57 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 .
- 58 The company has not been declared wilful defaulter by any bank or financial Institution or other lenders during the year ended 31.03.2025.

Notes to the financial statements as at and for the year ended 31st March 2025

59 Ratio Analysis

Sr.no	Ratio Analysis	Numerator	Rs in lakhs	Denominator	Rs in lakhs	31st March 2025	31st March 2024
1	Current Ratio	Current Assets		Current Liabilities			
		Inventories	4,376.34	Creditors for goods and services	9,731.24		
		Sundry Debtors	422.28	Short term loans	3,344.82		
		Cash and Bank balances	43.65	Bank Overdraft	0.00		
		Receivables/Accruals	406.29	Cash Credit	0.00		
		Loans and Advances	11.14	Outstanding Expenses	1,294.67		
		Disposable Investments	0.00	Provision for taxation	0.00		
		Any other current assets	3,706.31	Proposed dividend	0.00		
		Assets held for sale	332.60	Unclaimed Dividend	0.00		
				Any other current liabilities	1,746.01		
		9,298.62		16,116.75	0.58	0.33	
Remarks - This ratio has been improved mainly on account of decrease in current liabilities amount.							
2	Debt Equity Ratio	Total Debt		Shareholder's Equity			
		Total Debt	4,965.23	Total Shareholders Equity	-22,739.14	-0.22	-0.21
3	Debt Service Coverage Ratio	Earnings available for debt service		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.	2,313.80	Current Debt Obligation (Interest & Lease payment+ Principal Repayment.	3,949.71	0.59	-0.31
Remarks-The ratio has changed in current year, on account of increase in net profit.							
4	Return on Equity Ratio	Profit for the period		Avg. Shareholders Equity			
		Net Profit after taxes - preference dividend (if any)	1,520.13	(Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	-29,421.45	0.052	-0.075
Remarks-The ratio has improved in the current year on account of increase in net profits.							
5	Inventory Turnover Ratio	Cost of Goods sold		Average Inventory			
		(Opening Stock + Purchases) – Closing Stock	20,660.01	(Opening Stock + Closing Stock)/2	3,028.78	6.82	20.22
Remarks-The ratio has decreased due to increase in avreage inventory.							
6	Trade Receivables Turnover Ratio	Net Credit Sales		Average Trade Receivables			
		Credit Sales	28,498.24	(Beginning Trade Receivables + Ending Trade Receivables) / 2	750.17	37.99	67.64
Remarks-The ratio has decreased due to increase in avreage Trade receivables.							
7	Trade Payables Turnover Ratio	Total Purchases		Average Trade Payables			
		Annual Net Credit purchases	34,156.34	(Beginning Trade Payables + Ending Trade Payables) / 2	14,173.24	2.41	2.07

Notes to the financial statements as at and for the year ended 31st March 2025

8	Net Capital Turnover Ratio	Net Sales Total Sales - Sales Return	28,498.24	Average Working Capital Current Assets - Current Liabilities	-6,818.13	-4.18	-2.16
	Remarks-The ratio has been changed on account of decrease in turnover.						
9	Net Profit Ratio	Net Profit Profit After Tax	1,520.13	Net Sales Sales	28,498.24	0.053	-0.073
	Remarks-This ratio has been increased in current year mainly on account of increase in profits.						
10	Return on Capital employed	Earning before interest and taxes Profit before Interest and Taxes	2,900.18	Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	11,460.58	0.25	-1.13
	Remarks- The ratio has been increased in current year as compared to previous year, due to increase in EBIT.						
11	Return on Investment	Return/Profit/Earnings	-	Investment	-	Nil	Nil

60 Relationship with Struck off Companies

Name of struck off Company	Nature of Transactions with Struck -off Company	Balance Outstanding as at 31.03.2025	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

- 61 There are no charges or satisfaction yet to be registered with Registrar of Companies/MCA beyond the statutory period.
- 62 The company has no subsidiary as on 31.03.2025, 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.
- 63 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.
- 64 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
- 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 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:-
- 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 on behalf of the Ultimate Beneficiaries.
- 65 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
- 66 The company has not traded or invested in crypto currency or virtual currency during the financial year.
- 67 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

Notes to the financial statements as at and for the year ended 31st March 2025

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

- 68** 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.
- 69** 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. 17.33 Crores as on 31.03.2025.
- 70** During the Financial year no amount has been contributed as per section 182 & 183.

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- 25519347BMIODK6848

Sd/-
Manju Oswal
 Director
 (DIN-00009449)

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

Place: Ludhiana
Date: 30th May 2025

Sd/-
Ajay K. Ratra
 (Company Secretary)

Sd/-
Radhamohan Soni
 (Chief Financial Officer)

Information for Shareholders of the Company

Updation of Permanent Account Number (PAN), KYC Details and Nomination for securities held in physical form

It is hereby informed that shareholder holding shares in physical form shall submit copies of PAN Card, KYC details, Bank account details and Nomination to the Company/ Registrar and Share Transfer Agent (RTA).

In view of above, we request you to provide the following:

- ✓ For updations of PAN number and KYC details, please fill up the attached Form ISR-1
- ✓ Self-attested copy of your PAN card (including PAN Card of the joint holders duly self-attested by them)
- ✓ Postal address with PIN Code, Self-attested copy of your valid address proof
- ✓ Mobile number and E-mail address
- ✓ Bank account details i.e., bank name, branch, account number and IFS Code supported by self-attested bank statement or original cancelled cheque leaf
- ✓ Specimen signature - Provide Banker's attestation of the signature in the attached Form ISR - 2.
- ✓ Nomination for the aforesaid folio(s) in the attached Form SH-13 **or** 'Declaration to Opt-out' in the attached Form ISR-3, if you do not wish to nominate any person **or** change of nomination in attached Form SH-14 *(in case of cancellation of nomination by shareholder through Form SH-14, declaration to Opt-out in Form ISR-3 shall also be provided by the shareholder)*.

And Form ISR-4 for availing the various services in case of dematerialized securities pursuant to the SEBI circular dated 25.01.2022 on issuance of securities in dematerialized form in case of Investor Service Requests;

We request you to send the above details/documents to Alankit Assignments Limited having Registered Office at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110055 or through email at kycupdate@alankit.com at the earliest, by any one of the following modes:

- I. Through hard copies which should be self-attested and dated.
- II. Through electronic mode, provided that they are sent through E-mail id of the holder registered with RTA and all documents should be electronically/digitally signed by the Shareholder and in case of joint holders, by first joint holder.

Formats of Form ISR-1, ISR-2, ISR-3, ISR-4, SH-13 and SH-14 are available at <http://oswalgroup.com/investor-information.php>

Furthermore, company is organizing 100 days campaign '**Saksham Niveshak**' for KYC and other related updations and Engagment of shareholders to prevent Transfer of Unpaid/unclaimed dividends to IEPF **from 28th July, 2025 to 6th November, 2025**.

Special Window for Re-lodgement of Transfer Requests of Physical Shares

In accordance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025, it is hereby informed to general public that, the Special Window has been opened for a period of 6 months from July 07, 2025 till January 06, 2026, only for Re-lodgement of Transfer Deeds, which were lodged prior to April 01, 2019 and rejected/ returned/ not attended to due to deficiency in the documents/ process or otherwise.

If anyone had lodged the transfer deeds for transfer of physical shares before April 01, 2019 and required to re-lodge the same with necessary corrections, if any, may contact the RTA of the company- Alankit Assignments Limited, Alankit House, 4E/2 Jhandewalan Extension, New Delhi- 110055 (E) rta@alankit.com (Tel.) +91-11-4254-1234/1956.

Please note that during this period, the securities that are re-lodged for transfer (including those requests that are pending with the listed company / RTA, if any, as on date) shall be issued only in demat mode. Due process shall be followed for such transfer-cum-demat requests, therefore one must have demat account and provides its Client Master List ('CML') along with the transfer documents and share certificates, while re-lodging the documents for transfer with RTA

Thanking you,

Yours faithfully,

For Vardhman Polytex Limited

Sd/-

Ajay K. Ratra

Company Secretary

Vardhman Polytex Limited

VARDHMAN POLYTEX LIMITED

CIN: L17122PB1980PLC004242

Regd. Office: Vardhman Park, Chandigarh Road, Ludhiana-141123, Punjab, India

Folio No./DP ID/ Client ID No.	
No. of Shares Held	

ATTENDANCE SLIP

I/We record my/our presence at the Annual General Meeting of the Company at Registered Office of the company at Vardhman Park, Chandigarh Road, Ludhiana-141123 on Thursday, 28th August, 2025 at 11.00 AM.

NAME OF THE SHAREHOLDER(S) (in Block Letters)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (in Block Letters)	
SIGNATURE OF THE PROXY	

NOTE: You are requested to sign and handover this slip at the entrance of the meeting venue.

VARDHMAN POLYTEX LIMITED

CIN: L17122PB1980PLC004242

Regd. Office: Vardhman Park, Chandigarh Road, Ludhiana-141123, Punjab, India

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L17122PB1980PLC004242		
Name of the Company:	Vardhman Polytex Limited		
Registered Office:	Vardhman Park, Chandigarh Road, Ludhiana-141123		
Name of the member(s):			
Registered address:			
E-mail Id:			
Folio No/Client Id		DP ID	

I/We, being the holder(s) of.....shares of the above named company, hereby appoint

- Name E-mail id.....

Address Signature Or failing him
- Name E-mail id.....

Address Signature Or failing him
- Name E-mail id.....

Address Signature

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, 28th August, 2025 at 11.00 AM at Registered Office of the company at: Vardhman Park, Chandigarh Road, Ludhiana-141123.

Resolutions:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2025, together with the Reports of Auditors and Directors thereon.
- To appoint a Director in place of Mr. Suresh Kumar Banka (DIN: 08847246), who retires by rotation in accordance with Articles of Association and being eligible, offers himself for re-appointment.
- Appointment of Statutory Auditors of the company
- To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2026
- Appointment of Secretarial Auditors of the company.
- Reappointment of Mr. Adish Oswal (DIN: 00009710) as Managing Director of the company.

Signed this.....day of.....2025

Signature of Shareholder: _____

Signature of Proxy holder(s): _____

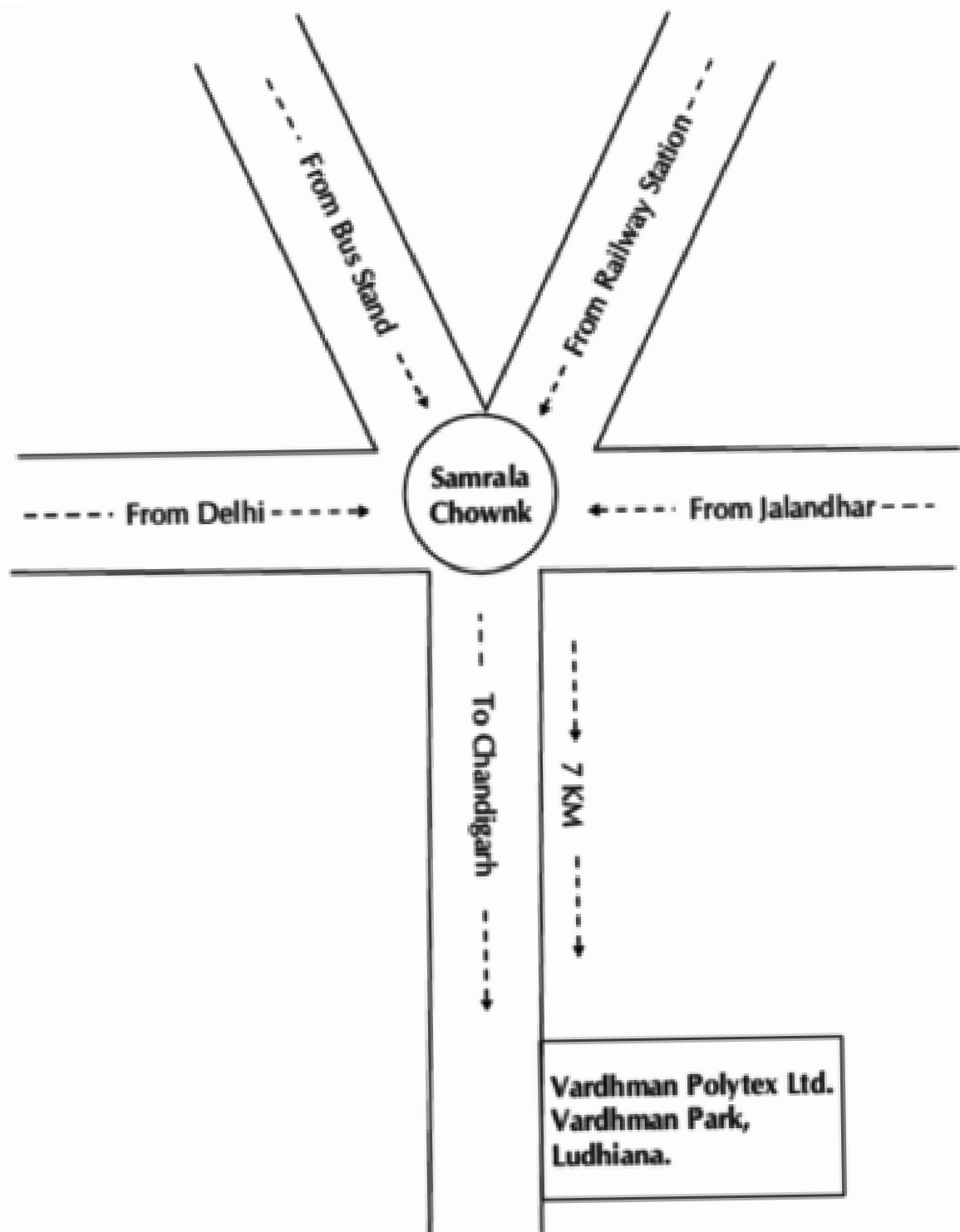
Affix Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.

Route Map of AGM Venue

Vardhman Polytex Limited

Vardhman Park, Chandigarh Road, Ludhiana-141123





VARDHMAN POLYTEX LIMITED

An Oswal Group[®] Company

CIN: L17122PB1980PLC004242

REGISTERED & CORPORATE OFFICE

Vardhman Park, Chandigarh Road,
Ludhiana-141123, Punjab, (India)

Ph: +91-161-6629888

Email: info@vpl.in

www.vpl.in